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**HOWARD STREET
AFRICAN-AMERICAN ENTREPRENEURIAL
DISTRICT DEVELOPMENT
WEST SIDE DOWNTOWN BALTIMORE, MARYLAND**



FINAL REPORT

**HOWARD STREET
AFRICAN-AMERICAN ENTREPRENEURIAL
DISTRICT DEVELOPMENT
WEST SIDE DOWNTOWN BALTIMORE, MARYLAND**

Prepared for:

***Governor's Office for Minority Affairs
Baltimore, MD
and
Baltimore Development Corporation***

Prepared by:

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ZHA, Inc.
Business Plans, LLC
Performa Entertainment Real Estate, Inc.***

October, 2001

North Howard Street African-American Entertainment District

Baltimore, Maryland



ZHA

**Business Plans, LLC
Performa Entertainment Real Estate, Inc.**

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HOWARD STREET AFRICAN-AMERICAN ENTREPRENEURIAL DISTRICT DEVELOPMENT, WEST SIDE DOWNTOWN BALTIMORE, MARYLAND

I. INTRODUCTION

In September 1999, the State of Maryland's Department of General Services issued a Request for Proposal (RFP) for consulting services dealing with the feasibility of developing entrepreneurial reuses in the West Side of downtown Baltimore along the North Howard Street area. More specifically, the RFP defined a four-block area located north of Saratoga Street to Franklin Street involving the four flanking blocks along North Howard Street. The task to be undertaken was to investigate the feasibility of creating an African-American Urban Entertainment Center (UEC) or District (UED) on Howard Street as an integral part of the broader West Side's overall revitalization program being developed by the Baltimore Development Corporation (BDC) in behalf of the City and other stakeholders.

The ZHA Team was competitively selected by the Governor's appointed North Howard Street Task Force for Black Entrepreneurial Development, currently being chaired by the Honorable State Senator Clarence Mitchell, IV. Technical compliance to the RFP was certified by the Office of Procurement and Contracting, and the Governor's Office for Minority Affairs was designated as the contact point for this consultation team. The ZHA Team is composed of RTKL, Architects and planners, ZHA, Inc., Business Plans, LLC, and consultation, as warranted, by Performa Entertainment Real Estate, Inc. of Memphis, Tennessee.

For contract convenience and coordination, the Office of the Governor novated the contract in early 2000 to BDC for administrative purposes, and actual consultation work began in January 2000. ZHA continues to be the Project Manager for this assignment. Work between the consultation team has been integrated as a single venue in terms of assignments -- operating under subcontractual terms with RTKL taking primary responsibility for program administration and accounting.

This contract is a continuation of the Governor's commitment to seek out a workable means for the African-American community to participate directly in the West Side revitalization if a feasible program could be demonstrated. The deeper objective of this study was to foster or create, if feasible, entrepreneurship opportunities for the minority community. As the technical work program progressed, the consultants produced a series of graphic presentations and written memoranda on varying aspects to this work assignment. The findings and conclusions were shared with the broader African-American Entrepreneurial Task Force and its Executive Committee.

A total of six Memorandum of Findings, investigating and ultimately recommending a preferred development alternative and the financial implication of such an undertaking, were produced for the client and stakeholders.

North Howard Street African-American Entertainment District

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This Report represents the principal findings of these endeavors and presents the "next steps" for the Task Force in seeking out organizational and financial capacity to carry out the recommendations.

II. PROGRAMMATIC OPPORTUNITIES AND CONSTRAINTS

A. EXISTING CONDITIONS

1. Current and Planned Investment

Massive investment is occurring in Baltimore's West Side. Millions of dollars and various interests are involved in transforming the West Side. Projects within the West Side include:

- A critical convention hotel (an 850-room Grand Hyatt) is being planned for Pratt, Howard, Camden, and Paca Streets. This project was announced by its developer, Peter Angelos, and is expected to cost \$124 million, or \$146,000 per room. The developer is asking for a grant of the City-owned property, a 20-year waiver of City taxes, and City credit to borrow \$16 million in parking revenue bonds. Scheduled for construction over a two-year period, the project is about two years behind schedule as the financial arrangements are being finalized. Latest information indicates that alternate site areas are being investigated and that the financial role of the City is being reviewed as to the extent of participation and financial assistance.
- The University of Maryland at Baltimore (University) has programmed the expenditure of \$20 million to expand its Maryland Medical System, and \$38.2 million to enlarge the University's law and social work schools, plus \$30 million for an addition to the nursing school. Currently, the University receives \$140 million annually in federal research grants and employs approximately 13,000 people. The University hopes to capture a much larger share of the federal funding given the federal government's increased funding for AIDS and cancer research.
- The Weinberg Foundation is engaged in a \$71-million renovation of the decaying Stewart's department store on Howard Street into an office call center. The building will be outfitted for private mail-order catalog sales, credit card account assistance, and telemarketers. The Foundation is asking BDC for approximately \$7 million in public assistance.
- The Weinberg Foundation and its developer are proposing a phased, mixed-use entertainment-oriented development on the four blocks east of Howard Street and south of Clay Street. The project is to ultimately contain about 340,000 square feet of retail (including a 75,000-square-foot cinema); 190,000 square feet of office space; and approximately 400 apartment units. A garage containing approximately 1,485 parking spaces is planned to support the project. Recent development trends in the cinema industry call into question the ability to fund and sign a major theater exhibitor at this point, and alternate venues are being investigated.

- City Council authorized BDC to acquire approximately 127 properties in a six-block area on either side of the Stewart Building, leaving seven historical buildings including the Hippodrome Theater, the old Town Theater, Stewart's, and the former American National Bank Building. The Hippodrome is programmed to be redeveloped into a 2,250-seat performing arts theater that would schedule approximately 200 yearly events. The Town Theater is being studied for renovation into a 1,500-seat theater with 800 lower seats, and a 700-seat upper level unit.

- In late 1988, Peter Angelos announced a \$12-million renovation of Charles Center to include the office tower, retailing and restaurant space to the west of the current building. He offered to tie this renovation into the Foundation's plans for a one-million-square-foot retail, office and entertainment center immediately west of Liberty Street. Subsequently, it was determined that parking could best be provided by a publicly supported parking garage of 600 to 800 spaces at Clay and Liberty streets, which would be oriented to serve both the Foundation's development program and the One Charles Center complex.

- Market orientation of Lexington Market (located south of the Study Area) is being examined for renovation into a "Butcher, Baker, and Green Grocery Market". Continuing to update Lexington Market as to quality and function will offer strong marketing assistance to this project's recommended housing venue, its propensity to attract tourists and metro residents, and be a stabilizing force for the northern tier of the West Side community. Exterior improvements should celebrate the "quirkiness" of the Market and make it more visually appealing and inviting. Interior additions should include ethnically diverse foods with an atmosphere and décor that exudes the "spirit" of a historic food market. (Quoted from the 2001 West Side Strategic Plan document prepared by Design Collective, Inc.)

These projects and others will functionally tie the University to the traditional CBD. The President of BDC is quoted as saying, "first, we must consolidate the east-west swath, and then we can start moving north".

The commitment to the area north of Saratoga Street was fixed when the City authorized BDC to acquire/condemn the structures facing both sides of the 300 block and the east side of the 400 block of North Howard and along the West Side of Park Avenue's 300 and 400 blocks. BDC is the single most important landowner in the UED's identified four-block site area. During this work process, BDC solicited and selected a mixed-use residential developer for the developable portions of Block One scheduled for redevelopment. The proposed reuses by such developer are fully compatible with the recommendations contained in our Preferred Development Plan. The obvious remaining question is the role of this Redeveloper and the ultimate development entity suggested by this study -- measured in terms of financial assistance, if any, and the coordination so essential in such a compact area. More on these implications shall be discussed later in this report.

Current redevelopment projects are important to the North Howard Street Study Area. New investment proximate to the North Howard Street Study Area should improve the investment environment in the Study Area. However, without an integrated development strategy aimed at creating physical and functional synergy between the areas south, east and west of the Study Area, the chances for successful revitalization on North Howard are compromised.

An integrated development strategy must be sensitive to the objectives set forth for the current redevelopment projects and for the North Howard Street Study Area. The North Howard Street Study Area's revitalization objectives include (1) a revitalization plan that benefits the African-American community and (2) a revitalization strategy that fosters entrepreneurial opportunities for the African-American community. These objectives will not be satisfied if North Howard Street simply becomes the recipient of businesses displaced by other redevelopment projects and/or North Howard Street is treated in isolation from other redevelopment activities.

2. Adversities and Controversy

Several proposed West Side redevelopment projects summarized above have been criticized. The criticism has generally surrounded the subjects of condemnation, building demolition, and business displacement.

a. *Condemnation.* Acquisition of privately held property through the act of condemnation is the ultimate application of jurisdictional powers and is exercised carefully. The questions arising regarding this approach are the merits of the existing buildings as resources, the current use of the buildings, and the market orientation currently as compared to the planned reuse.

As the City's agent, the BDC has acquired numerous buildings on Howard Street north and south of Saratoga Avenue. To the extent that current development plans satisfy the community's desires regarding existing businesses, existing buildings, and the orientation of the planned project, there will be little pressure on BDC regarding the subsequent redevelopment of properties it controls in the North Howard Street Study Area.

To the extent that there is community disillusionment (which there is) with current redevelopment endeavors, it can be expected that increased pressure and interest will be placed on all properties within the North Howard Street Study Area. This is evident from the community's response to BDC's initial plans to condemn 127 properties in a six-block area either side of the former Stewart's Department Store lying south of this project's four-block, target area. Preservation Maryland, Baltimore Heritage and other preservationists are asking for the City to retain historical structures and preserve rather than demolish buildings. The North Howard UED Project, the subject of this endeavor, must demonstrate the ability to achieve our purpose and respect these feelings.

b. *Building Demolition.* Vocal interest groups are questioning the wisdom associated with the demolition of buildings south of Saratoga Street. Many feel that a preservation-based process is "far more likely to result in what we all want -- a diverse, vital, desirable, populated district with a good mix of small, interesting, locally owned businesses as well as national retailers". Baltimore Heritage and Preservation Maryland contend in a 1999 report that approximately 150 buildings in the broader West Side scheduled for demolition in the 18-block area have enough architectural significance to be spared.

Currently, efforts have been finalized to make this area a federally declared historical district. The historic district would encompass the entire North Howard Street Study Area and much of the West Side revitalization area. A federal historic district will have profound impact on the revitalization strategy for the Study Area.

c. *Business Displacement.* Redevelopment south of Saratoga Street will displace existing businesses. There is a great deal of concern among vocal interests about these businesses being displaced and where they will ultimately re-locate. The following paragraphs summarize statements contained in the media regarding this subject matter:

- Calling the current usage of the West Side a failure is a mistake. It is now a working-class, predominately African-American and Southeast Asian shopping center consisting of merchants who complement Lexington Market's status and are doing a brisk "value-sensitive" business, mainly with customers from the nearby West Side neighborhoods.
- When police closed down large-scale, youth-oriented Black clubs in 1966 (primarily because of a lack of proper licensing and a perceived threat of violence), the Mayor and Council shut the door on the notion of a Black entertainment district that might reinvigorate the North Howard area.
- Current owners and merchants are saying that they had little or no input into the broader West Side planning and question the merits of the proposal that excludes most existing businesses.
- Current merchants feel that people need affordable shopping in the West Side and not "elitist" merchandise.

How displaced businesses are handled is extremely important to North Howard Street's revitalization strategy. If a UEC/D is planned for the Study Area there will likely be a problem if all businesses displaced south of Saratoga were to re-locate in the Study Area -- the market orientation is different among these uses. If displacement of businesses becomes essentially prohibited for political reasons, this also will greatly impact the revitalization strategy. The business displacement issue arising in the West Side project south of Saratoga is relevant because of BDC's role in both this area and North Howard.

B. PROGRAMMATIC LIMITATIONS

The following statements are important concerns and opportunities that any African-American Entertainment District must be sensitive toward:

- The Governor has expressed that the revitalization of the North Howard Street Study Area is to (1) benefit the African-American community and (2) foster African-American entrepreneurs. Such clear objectives are valuable in crafting a revitalization strategy, tied to physical and marketability concerns.

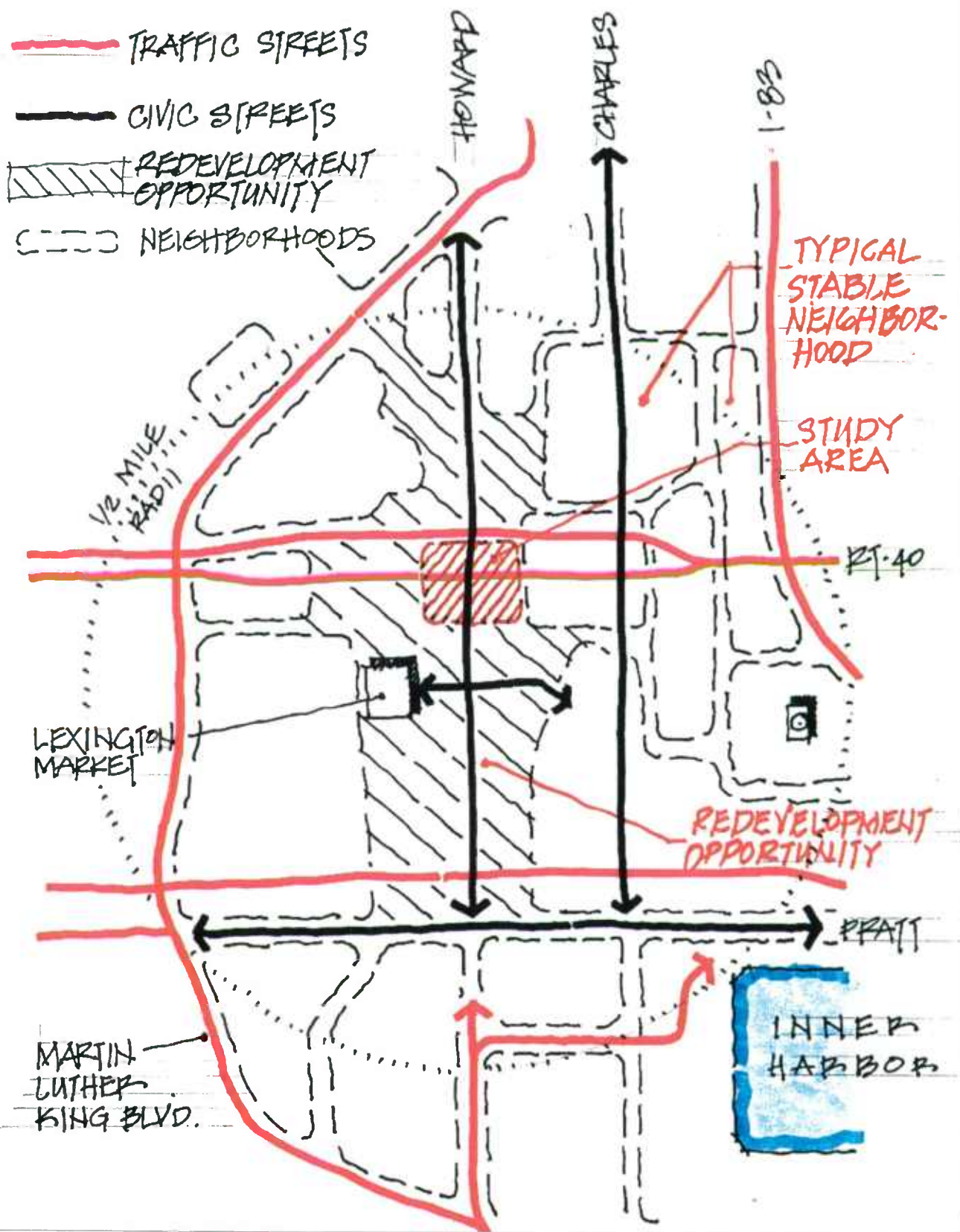
- Significant redevelopment is occurring adjacent to the Study Area. Redevelopment is to occur employing both public and private funds. There is the opportunity to integrate and coordinate the revitalization of the North Howard Street Study Area into and with the redevelopment occurring to the south.
- BDC owns land and buildings in the Study Area, particularly in Block One. If leveraged strategically BDC assets enhance revitalization potential to create a workable UED and mixed-use residential community.
- Controversies arising out of current redevelopment projects will likely have an impact on the revitalization strategy for North Howard Street with regard to the treatment of existing businesses and buildings.

III. PHYSICAL AND FUNCTIONAL OPPORTUNITIES AND CONSTRAINTS

A. REGIONAL CONTEXT AND ITS IMPORTANCE

The physical and functional character of the North Howard Street Study Area was evaluated on the basis of land use context, land use, building types and condition, and infrastructure. The attached illustration identifies the Study Area, the West Side Redevelopment Area boundaries, Baltimore's City limits and the major highway corridors serving the regional population.

The West Side Redevelopment Area is one of three subareas targeted by the BDC for revitalization within the downtown. The Study Area is about one-half mile northwest of Baltimore's Inner Harbor, Oriole Park at Camden Yards and Baltimore's recently expanded Convention Center.



"EXISTING CONTEXT"

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1. Access

The Study Area, as part of downtown, enjoys excellent regional highway access including (see illustration):

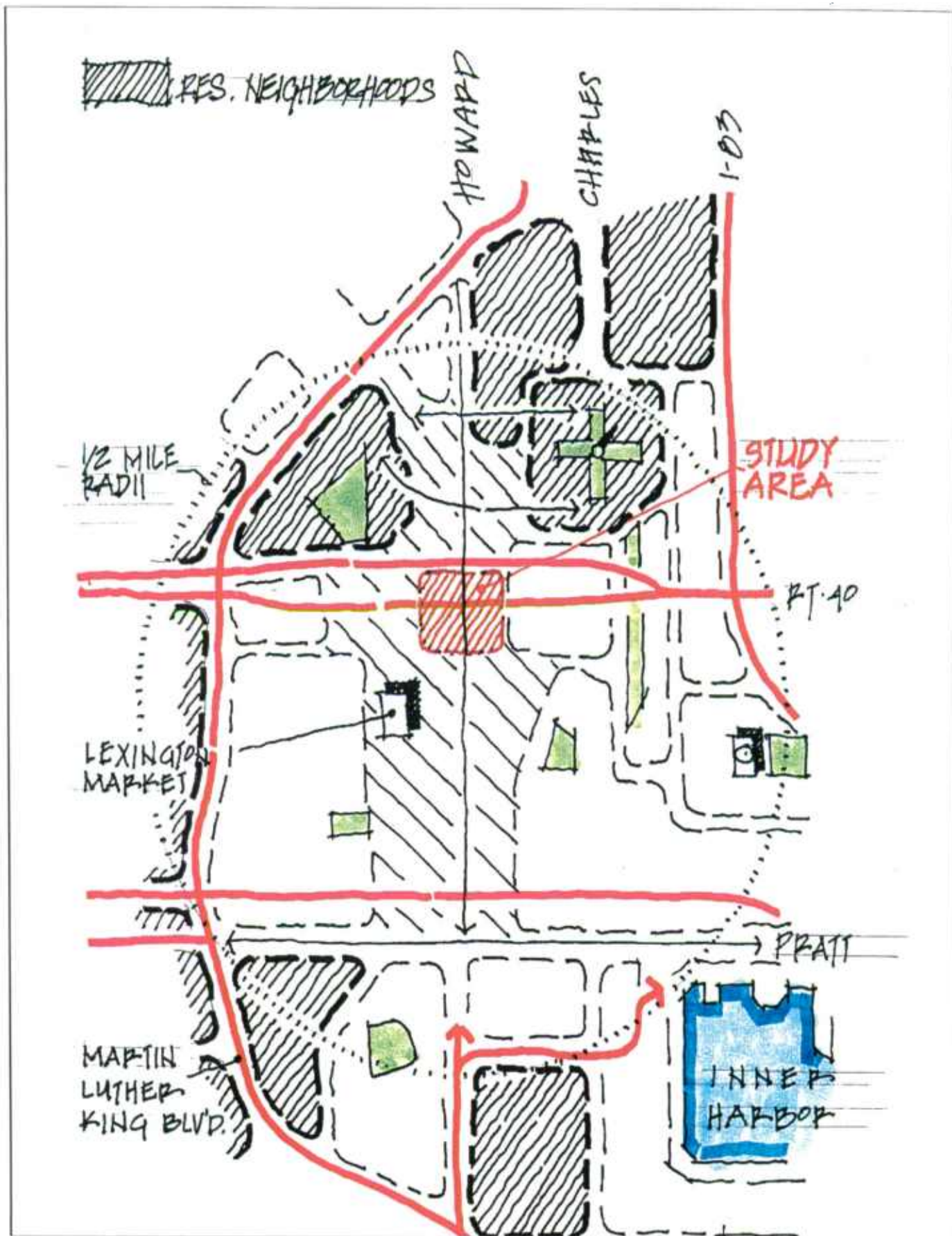
- Interstate 395 from the south (providing immediacy to BWI Airport), the Baltimore Washington Parkway, the Interstate 95 corridor to Washington, D.C., and the Interstate 695 loop system around urbanized Baltimore's primary markets.
- Located four blocks southward is the important east-west Lombard and Pratt Street Corridor accessing Fells Point and westward into vital close-in residential communities.
- Route 40 (Franklin/Mulberry pair) also serves as a major east-west route and transverses the actual Study Area as Interstate 170 from the west splits into two downtown surface pairs moving important traffic eastward onto Orleans and St. Johns Hospital located to the east.
- The McCulloh/Druid Avenue corridor and the northeast Interstate 83/Jones Falls Expressway serve the northeast market access to our Study Area.

Two transit systems service the Study Area: the Metro Line (with a stop in the Study Area) and the Light Rail Line (with a stop one block south of the Study Area).

B. DEFINITION OF WEST SIDE REDEVELOPMENT AREA

Within these defining routes, the Study Area, in the broader context, follows the boundaries of the West Side Redevelopment Initiative and a portion of the East Side Initiative (east of Charles Street). Martin Luther King, Jr. Boulevard forms a recognizable boundary on the west and north. Interstate 83 and the Pratt Street Corridor form an eastern and southern boundary. The North Howard Street Study Area, as part of the West Side revitalization area, was part of the heart of downtown retailing, and is an integral part of what was traditionally viewed as downtown Baltimore.

One of the hallmarks and strengths of Baltimore is its small distinct precincts (or neighborhoods) within the downtown. Even within one block a visitor can move from one distinct urban character and set of uses into another, separate neighborhood. Charles Street is distinct and separate from Park Street; Mount Vernon is distinct from the Antiques District; and Seton Hill is unique to both neighborhoods.



"EXISTING - RESIDENTIAL NEIGHBORHOODS"

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The previous illustration highlights the Precincts around the Study Area. The Study Area and many other blocks along Howard Street are not part of any given precinct or neighborhood -- the role of this area is unclear.

In addition to precincts contained in the West Side are numerous landmark uses. These uses which are regional in their impact -- such as Lexington Market -- act as icons for the rich tapestry of Baltimore. A partial list of West Side landmarks include:

- Lexington Market
- Mount Vernon
- Charles Street/St. Paul Church District
- Enroch Pratt Free Library
- Basilica of the Assumption
- Washington Monument
- Walters Art Gallery
- Peabody Institute
- Inner Harbor
- Convention Center
- Oriole Stadium
- PSI Stadium

C. FOUR-BLOCK NORTH HOWARD STREET STUDY AREA

The attached graphic illustrates the North Howard Street Study Area. The numbered blocks are meant to assist in describing the land use characteristics, the nature of the buildings, and other aspects to gain a working understanding of the opportunities and constraints inherent within the site. The examination of the larger contextual area is to look for "over-arching" principles, which will give direction to the four-block Study Area, identify the strengths and weaknesses within the larger region so we can appreciate how this site can contribute to the broader West Side revitalization, and determine how the West Side reuses can strengthen the nature of our potential redevelopment.

The four-block Study Area contains a total of 445,250 square feet of net land area (defined as city-block right-of-way line to city-block right-of-way-line), or about 10.21 acres. The sizes of the blocks are fairly equal in scope varying only by about 15,000 square feet. The largest is 2.76 acres or 120,250 square feet in Block Four, down to 105,000 square feet, or 2.41 acres in Block One.



STUDY AREA - LIMITS

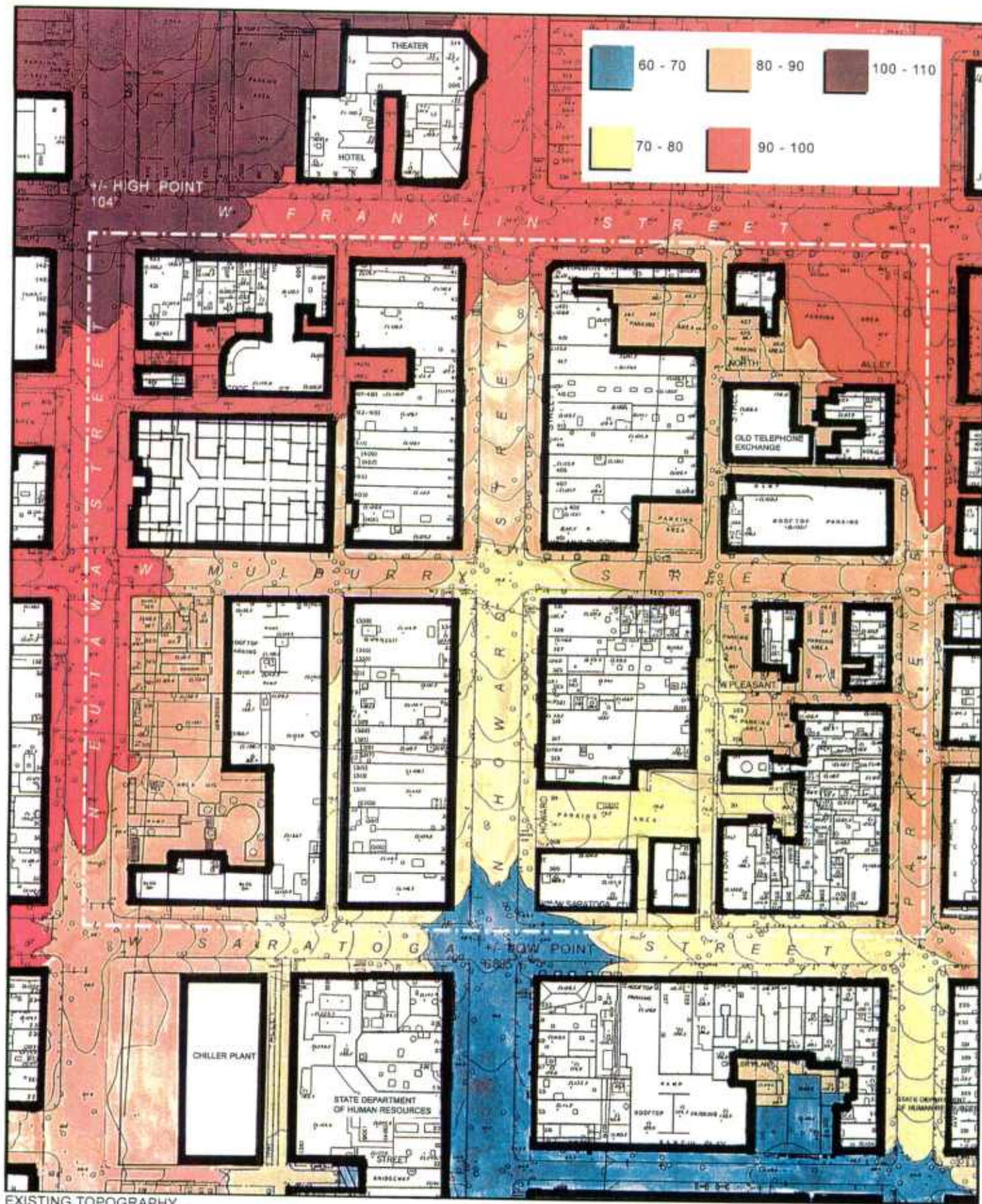
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The breakdown is as follows:

1.	Block One	105,000 SF	2.41 Acres
2.	Block Two	109,500 SF	2.51 Acres
3.	Block Three	112,125 SF	2.57 Acres
4.	Block Four	<u>120,250 SF</u>	<u>2.76 Acres</u>
	Total	446,875 SF	10.25 Acres

1. Importance of Topographic Site Variations

The four-block site rises from a low point at the intersection of West Saratoga Street upward toward Franklin Street with the high point occurring at West Franklin and Eutaw Streets. The implications for redevelopment are twofold. First, the degree of topographic change within the site creates interesting opportunities for multi-story and undergrounding of uses, particularly parking. The street and sidewalk slope will have an impact on new development and how ground-floor levels interface with adjoining buildings and the street. There is a measurable amount of difference of elevation (about 35 feet) in this two-block area, as indicated below:

Franklin Street between Eutaw and Howard	2.8% slope (1 foot in 35.0')
Howard Street	2.8% slope (1 foot in 35.5')
Saratoga Street between Eutaw/Howard	5.0% slope (1 foot in 20.0')

While the topographic features provide interesting aspects for "on-site" design and layout of streetways and pedestrianways, blending the uses with the rising site situation and the continuing declining topography southward shall interrupt and frustrate the integration of the North Howard site to reuses to the south. Patrons demonstrate marked hesitancy to climb an incline and the normal walk distance ratios decrease quickly as slope is introduced into the equation.

Therefore, the need to be sensitive toward street-side activities in lieu of service functions is very important for those activities immediately to the south. A fun and engaging series of activities along West Saratoga and Lexington are critically important. The recent decision to build the new "Chiller Plant" at the southwest corner of Saratoga, for instance, though helpful in furnishing attractive utilities, creates a rather sizable blockage along Eutaw, discouraging impulse programming of street-level uses around this rather sterile, neutral facility. The urban design and reopening of Howard Street to traffic and transit shall be important considerations for the realization of full market potential for the identified four-block UED site.

The Mayfair Theater site, adjoining the Congress Hotel (under construction for apartments) and the employment block to the east sit on higher ground. Because of topographic changes and the Franklin/Mulberry Street one-way pairing, the four-block Study Area has the opportunity to form a natural terminus for the historical retail use along Howard Street. In essence, the area north of Franklin Street has a chance to form a new separate and quieter precinct going further north.

The open land on the block facing Block Two to the north is interesting. The City succeeded in attracting Aegon USA to occupy the building (205 West Center) and block in downtown and to

shift 1,000 workers to the site, introducing an attractive user that is ranked as the nation's ninth largest insurer. Further efforts to ensure a long-term commitment of this firm was rejected notwithstanding the City's offer to construct a \$30-million, 150,000-square-foot building and a 500-car garage adjacent to the offices in exchange for a continuing 15-year occupancy commitment. Therefore, the future of this site is largely unknown.

2. Parking, Garages, and Undeveloped Properties

a. Parking Operations

There are three parking structures within the four-block Study Area:

- The garage on Block 1 has three (3) levels and provides parking for approximately 100 cars.
- Parking garage on Block 2 is a two-level facility serving approximately 85 cars. This garage has taller floor-to-ceiling heights than a regular garage.
- Parking garage on Block 3 has five levels and holds 223 cars serving the State Department of Human Resources. This garage has 12-foot floor-to-ceiling heights and originally had its own heated facility, probably designed to be converted to an active use such as an office.

Currently Block 3 is the best block with a meaningful amount of aggregate undeveloped/underdeveloped land, unless additional clearance of other structures is deemed justifiable by building configuration or condition and market circumstances. These 55,520 square feet, or 1.3 acres, comprise a four-level state-owned parking structure for 223 cars servicing the Department of Human Resources (located immediately south on Howard Street at Saratoga). Along the Eutaw frontage is an unimproved lot of 13,000 square feet used for service vehicles and related storage (police cruisers and utility vehicles). A park plaza (about 15,000 square feet) is sandwiched in immediately south of the service vehicle lot along Eutaw and provides access to the Metro stop.



SURFACE PARKING, GARAGES & VACANT LOTS

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Taken together, if one could handle the state parking needs, the aggregate parcels represent a sizable redevelopment opportunity with mostly public ownership and a likely understanding of the needs of our redevelopment plan options. Notwithstanding this, the garage with 223 spaces (and its tie to the state operation to the south) could have a more prominent role in retaining future development; however, the accompanying surface area in the aggregate is an inviting location for potential reuse.

Blocks Two and Four have several small surface parking lots. Their small size, inefficient layout and poor state of repair contributes little to the merits of the area, and should be viewed as reasonable candidates for revitalization to higher yielding uses. Also, two smaller, older parking structures are situated in Blocks One and Two reflecting aspects of inefficiency, and, likely, high maintenance costs. Garage Two and its location along a prominent street (Mulberry Street at Park Avenue) suggests there may be a higher and better use for this property. In essence, these two garages (the other being in Block One with 100 spaces) are not likely to fit into any long-term revitalization strategy.

3. Sidewalks and Streetscape Improvements.

The sidewalk environment reflects the current business climate and use that exists along the streets. Some pertinent observations are as follows:

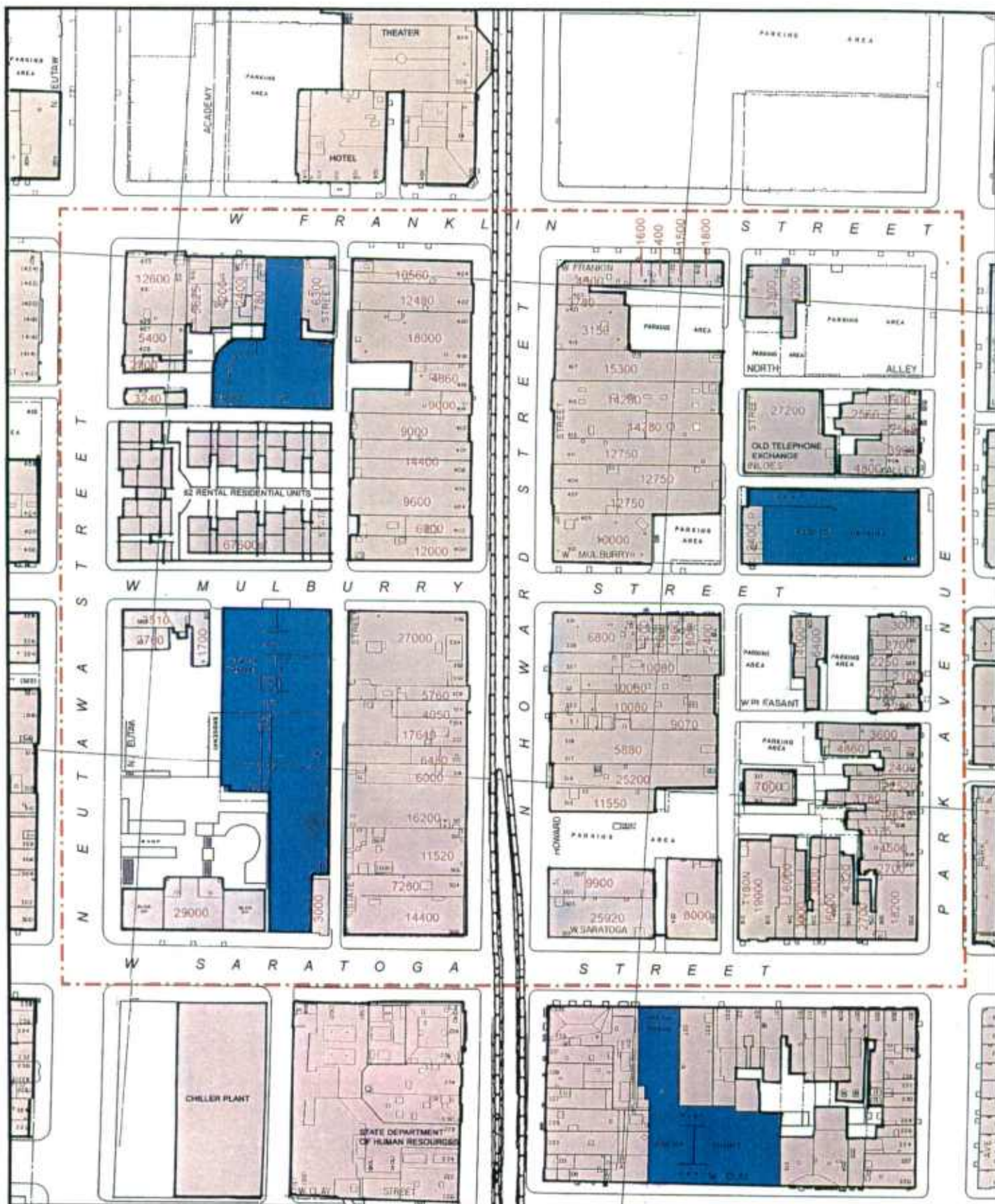
- Howard Street received street improvements more than a decade ago that included street trees, lighting, furniture, fan-shaped sculpture, etc. The various elements, however, are in need of repair, paint and replacement. The appropriateness and design of these improvements is in question as fitting today's aspirations and will only be resolved as the development plans for the four-block and southern tier development are better known and themed, and demonstrated commitment is evident.
- Street trees exist throughout the Study Area but are in need of attention, such as pruning, feeding and replacement.
- The area has little street furnishings other than what exists along Howard Street.
- Sidewalk widths along Howard Street average about 15 to 18 feet, which is quite good for retailing. This allows room for street trees, and the spilling out of uses onto the sidewalks in good weather (such as cafes).
- Sidewalks elsewhere in the four-block area are averaging about 15 feet, which is a workable dimension for pedestrian movement and streetway usage. The existing parallel on-street parking helps maintain the pedestrian scale of the sidewalk and is viewed as encouraging.

- Mulberry and Park Avenue have smaller sidewalk widths of between 10 to 12 feet, which is rather compact and barely adequate for meaningful commercial usage. Existing stoops, street trees and furniture further complicates pedestrian movements, and the consultants feel the sidewalk is not adequate for maintaining healthy street trees and ensuring parallel on-street parking as a buffer between pedestrian and moving traffic.

4. Existing Four-Block Building Inventory

The following illustrations reflect ground-floor usage, and total developed building areas within the Study Area. Approximately 251,454 square feet of ground-floor area is contained in structures including the aforementioned parking garage (omitting surface parking lots). This represents approximately 40.1 percent of the total building area (square footage) in the four-block area. The balance of 372,600 square feet is contained in upper floors, in varying states of condition. The following table summarizes these figures for planning purposes -- the information was derived from the city base maps (scale 1" = 100') and as such is only presented for discussion purposes.

Also, the total building figures do not include all the square footage in parking garages.



EXISTING BUILDINGS - TOTAL BUILDING SQUARE FOOTAGE

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	<u>Block One</u>	<u>Block Two</u>	<u>Block Three</u>	<u>Block Four</u>	<u>Total Area</u>
Garage Ground Floors	11,200	11,925	27,750	-0-	50,875
Surface Parking	-0-	24,400	-0-	30,200	54,600
Alleys	10,200	12,800	6,600	9,600	39,200
Misc. Open Space	17,115	2,885	27,405	3,331	50,736
Building Ground Floors	66,485	57,490	50,370	77,119	251,464
Upper Floors	151,160	103,510	70,790	47,156	372,616
Total Floor Area	217,645	161,000	124,160	124,275	627,080
Floor Area Ratio	2.07	1.47	1.10	1.03	

00115DZA

Approximately 60 percent of the building area, or about 379,000 square feet, are contained in Blocks One and Two, or the upper two blocks of the Study Area. About one-third of the floor area in these two blocks is on ground level with nearly 255,000 square feet contained on upper floors.

5. Variations in Building Types

For evaluation purposes, the four-block site was organized into four forms of architecture, as follows:

- Row-Type Buildings
- Turn-of-Century Commercial Buildings
- Larger Mid-Rise Buildings
- Historically Significant Architectural Structures

a. Row-Type Buildings

The oldest building stock within the Study Area is row-type buildings. The buildings (approximately 50 structures) are narrow (15 to 20 feet in width) with the narrower telescoping additions in the rear. The additions were added over a long period of time and represent a mixture of building materials. The street-side facades are the largest portion of the building and generally the oldest portion of the structures. The oldest structures have pitched roofs and dormers and are likely pre-Civil War in vintage. This type of architecture is emblematic of the typical row architecture particular to historic Baltimore.

This building type, although historic, is not easily adapted to accommodating anything but the very smallest uses. The individual buildings may contain anywhere from 800 to 1,200 square feet, with a total square footage for up to three floors being about 2,500 to 4,000 square feet. The floor-to-ceiling heights are low and the structural integrity, especially in the rear additions, is likely to be of questionable value for renovation. New in-fill construction can require special constraints to keep these older buildings standing if a workable new UED complex was to be envisioned.

The merit of these buildings should take into consideration whether they are part of a larger collection of similar buildings to create a "context" or "environment". A group of row buildings facing across the street from a similar collection of buildings creates a small neighborhood, whereas a single building may be more of an obstacle than having any value as a piece of architecture.

b. Turn-of-Century Commercial Buildings

Approximately 55 of the building types in the Study Area fit this general description. Most of these structures were built to replace the row building architecture. Wider footprints, taller floor-to-ceiling dimensions and additional floors distinguish these buildings from row buildings. The widths generally extend the full lot depth (approximately 120 feet) as a single building, opposed to the additions found in row buildings. The floor-to-ceiling heights range from 10 to 16 feet. Building heights range from two to four floors. A majority of these buildings are located along Howard Street.

This building category has much more flexibility to be adaptively reused because of its size and construction, benefiting from the larger uninterrupted floor plate sizes.

c. Larger Mid-Rise Buildings

This includes buildings with five or more floors and of more recent vintage, most being built after the First World War. There is less of this building type since development in that period concentrated further south along Howard Street. Because of their height and amount of total floor area, larger mid-rise buildings may play a key role in the proposed UED development within the four-block area.

d. Historic or Facade Merit

Within the Study Area, three buildings have either historic or architectural design significance. The intent of the consultants is to pay full attention to these structures as part of the recently recognized historical district, which contains our four blocks, and to incorporate these structures within all proposed alternative development proposals. Meaningful reuse shall be made of these important buildings. Additionally, the RTKL/ZHA Team acknowledges that the Study Area contains many important building facades, some of which display design merit and can act as a possible architectural resource. Most of the frontage along Park Avenue and Howard Streets falls into various categories; however, not all significant facades mean that the entire building has any architectural or redevelopment significance. Once again, we shall be watchful of the merits of individual structures and their facades in forming our redevelopment alternatives.

D. STUDY AREA OBSERVATIONS

1. Inventories and Building Assessment

The attached illustration attempts to summarize the inventory and building assessment. The purpose of this graphic is to identify possible buildings, which may or may not be saved for redevelopment within the four-block area under the varying alternatives. Just because a building gets low marks in architecture does not necessarily mean that it will be demolished. Similarly, if a building has architectural significance it does not necessarily preclude its removal under Section 106 of the Federal Historical Code. In plain English, the purpose of this task is to evaluate the buildings without a specific development program to understand the opportunities and constraints within the greater existing urban fabric.

Most persons would agree that the buildings in the four-block area do not easily lend themselves to any major, integrated commercial redevelopment, especially an urban entertainment district (UED) with its most specific needs. However, the consultants want/tend to temper the UED criteria to express the most important aspects affecting an African-American precinct for entrepreneurship as being the unified management and programming aspects of the UED, not its normal massiveness of scale or scope.

The purpose of the Analysis graphic is to identify buildings/uses, which, under any alternative plan, are likely to remain:

- (a) Office building at the corner of Eutaw and West Saratoga, above the MTA Metro stop.
- (b) Several buildings along Saratoga Street, which, because of their size or architectural significance, are considered important aspects of the site.
- (c) Mulberry Court, a mixed-use residential development (62 rental units and ground-floor retail), in Block One.
- (d) The parking garage in Block Three serving the State Offices for Human Resources.
- (e) Three buildings along Howard Street identified because of their size or architectural significance.
- (f) The corner building at 433 Eutaw identified as having architectural significance.
- (g) The Old Telephone Exchange Building located at Tyson Street (alley), Block Two, identified because of its size and interior location as having unique redevelopment potential, if the preferred development plan can ultimately reuse such.

The initial planning evaluation indicates certain areas of immediate development opportunities including:

- (a) Surface parking lots
- (b) Alleys
- (c) Row building rear additions
- (d) Row buildings not part of a larger cluster
- (e) The vacant parcel and park/plaza in Block Three
- (f) One-story buildings
- (g) Parking garages in Blocks One and Two

It is the intention of the RTKL/ZHA Team to apply the following criteria for attempting to save all buildings in the alternative planning process:

- (a) Attractive, high, large floor plate buildings.
- (b) Historically or architecturally significant buildings.
- (c) Outstanding facades or rows of facades displaying uniqueness.
- (d) Part of a larger urban fabric and contextual relationship with surrounding development.

In evaluating latter tasks, the consultant team shall apply the following typical criteria for discounting existing buildings, as follows:

- (a) Small buildings isolated from any other meaningful buildings.
- (b) Building floor plate, width, proportions and total area not lending themselves to redevelopment.
- (c) Type of construction, interior space interruptions and maintenance requirements.

2. Summary Analysis/Observations

The previous illustration is a draft distillation of the inventory information, which in turn identifies possible development opportunities and a rationale for those determinations. The graphic/diagram, as attached, summarizes the opportunities and constraints which exist within and adjacent to the four-block Study Area.

The Study Area is bounded on the west and south by uses and/or buildings that are likely to remain. The remaining four-block sub-area is identified as the most flexible development portion of the site. Existing buildings may or may not be part of the redevelopment strategy. West Mulberry (one-way street from the west) will be the main vehicular entrance into the project area, with the Mulberry/Howard Street intersection becoming the primary corner for focused attention.

Additional opportunities and constraints include:

- Mulberry and Franklin Streets (a one-way pair), part of the east-west Route 40 region, carries heavy volumes of traffic and will inhibit pedestrian movement between the north and south

blocks at the street level (a serious planning concern).

- Mulberry Street is the major vehicular access into the project but the present sidewalks/building setbacks are too narrow to create a comfortable pedestrian streetscape.
- The Telephone Exchange Building in Block Two could be a major opportunity because of its size and location within the block interior. Interior layout and its engineering attributes for alteration are unknown, however. The remainder of the block is viewed at this point as flexible as to its reuse nature in terms of building retention, mass and scale.
- Blocks One and Three have sites that are fragmented, separated by existing uses and architecture that are likely to remain. The development area along Howard Street (120-foot lot depth) is viewed as a flexible development area with the ability to contain this portion of Howard Street, when combined with the two western blocks.
- The adjacent block immediately north of Block One contains the announced renovation of the Old Congress Hotel building and Mayfair Theater facility. These two architectural and urban place markers can be capitalized upon and might affirmatively contribute to the reuse nature of Block One redevelopment.
- Pedestrian linkage between the four blocks is restricted to the intersections and not at mid-block locations. This is a serious planning limitation to be considered.

IV. METROPOLITAN ECONOMIC OVERVIEW

A. BASIC INDICATORS

Within the past six years, the commercial real estate industry has been testing the substitution of traditional anchoring of commercial complexes with multi-anchoring of entertainment and food-derived outlets. The results are exciting at certain locations and dismal at other locations. Much arguing and debate is permeating the industry as the investors/developers attempt to sort the "good and workable aspects" from the failures. The entertainment-derived UED has attracted attention from sport franchises, entertainment companies, mall owners, outlet centers, casinos, and governmental entity charged with revitalization duties within its markets.

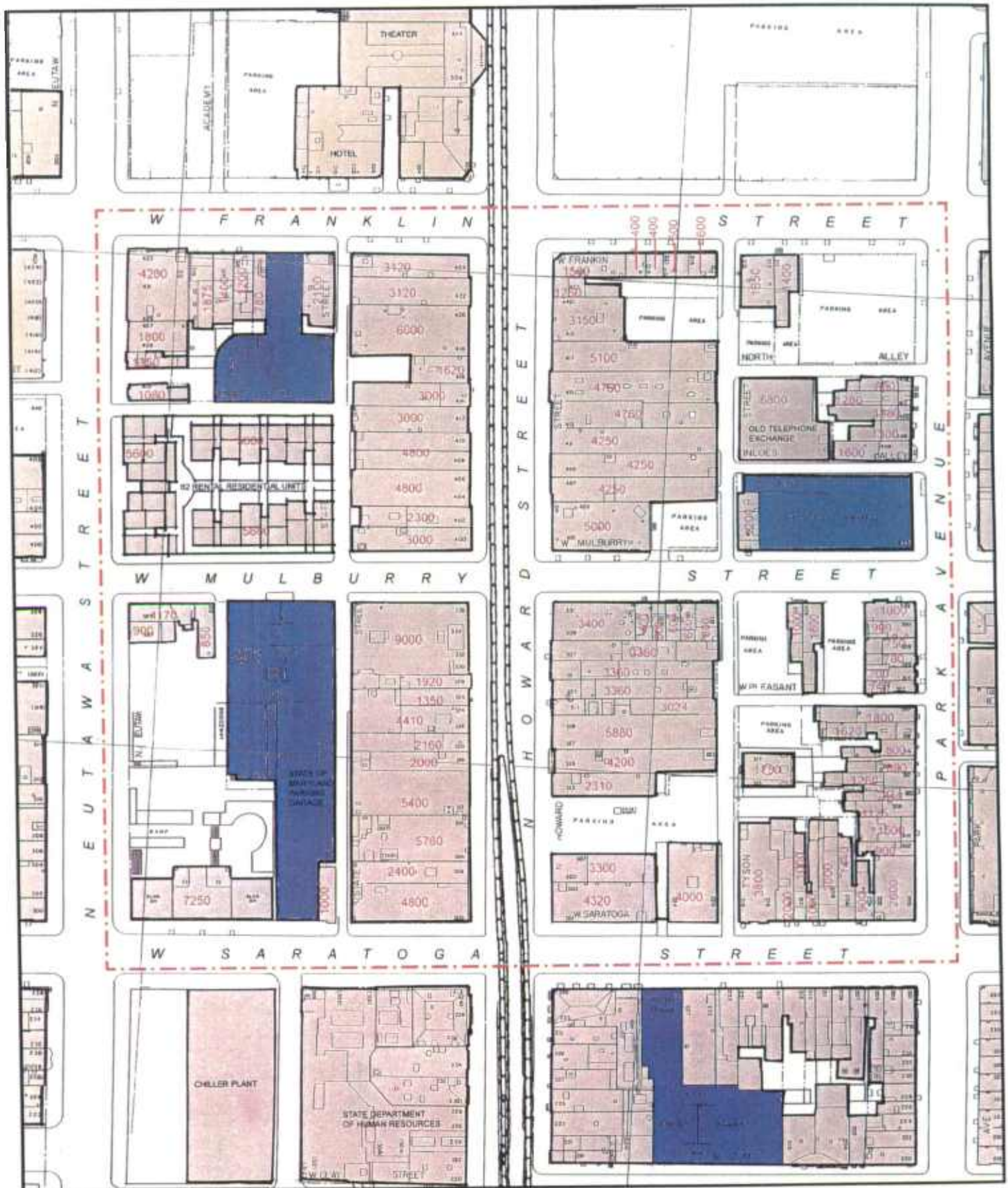
With about 25 currently operating UEC's within the U.S., the industry is finding that sensitively mixed destination retailing/entertainment uses can create a "sense of place" and transform a location into an exciting destination. However, this new form of tenant programming is more difficult than imagined initially due to the shifting results of venues in multi-anchoring by the broader entertainment industry and the stiffness of the institutional investor to modify its lending terms. Traditional lending terms on invested debt and equity of an unproven product type has contributed greatly to the need to seek capitalization assistance from the public in terms of infrastructure support and parking.

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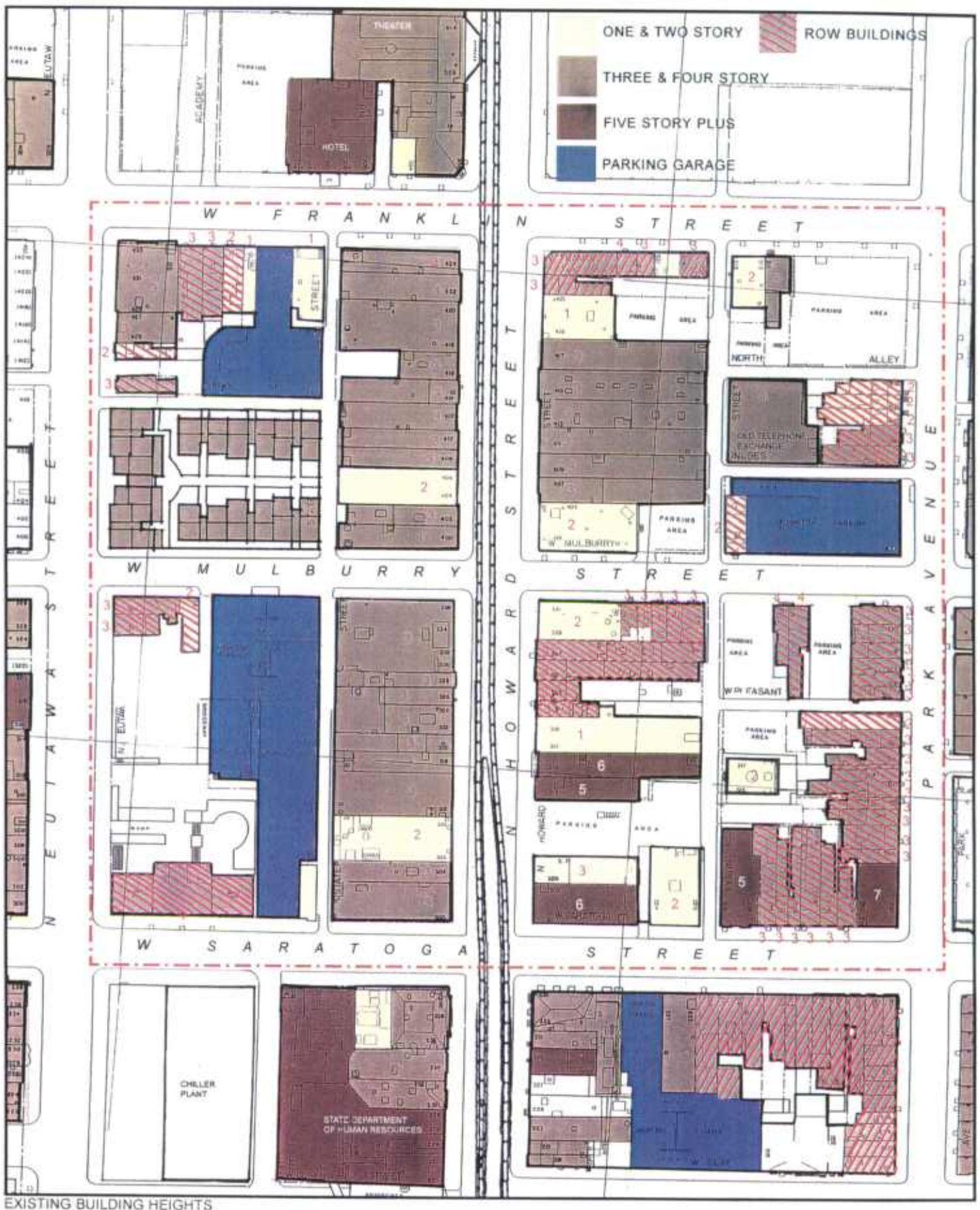
EXISTING GROUND FLOOR AREA

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After acknowledging implications of brand stores, themed restaurants, and assorted other attempts, a few guidelines in marketability have become evident. First, a destination entertainment venue needs a massive metro market with a clear lack of competitive entertainment venues; a diverse ethnic population with a high propensity to seek out alternate forms of entertainment; a diverse sporting venue within its greater market; and, finally, a legitimate aspect of reuse of the "best of kind" that would prove difficult to replicate.

The extended operating hours of UEC and UED must appeal to a diverse gathering of students, tourists, convention delegates, and residents from a broad market. It is the art of blending these diverse forms of expenditures with a recognized theme in organizing an entertainment complex that is most important. Shopping would be available at varying hours, weekdays and nights, and on weekends and evenings.

Pulling from all these varying markets is the key to stabilized sales and acceptable levels of operating expenditures. ULI's statement of *"crafting an enduring sense of place, a distinctive architectural expression, a street atmosphere, and public amenities, a unique retail-dining-entertainment mix, innovative forms of anchoring, and integrated relationship with the area's other assets, and achieving a new level of operations"* as key to UEC success is the best single statement of direction a project must achieve to be successful.

ZHA recognized that Baltimore's diversity could be tapped if we presented a convergence of dining with a unique environment, compactness for identity, and an authentic feeling of entertainment that fit as belonging to this market. It was with these factors that we examined the basic marketability aspects of the market; testing to find adequate expenditures, determining if too much direct competition would exist, or duplication of uses was likely. In viewing the defining aspects of creating an African-American entertainment complex, one had to be aware of the basic attributes of the market.

Baltimore, like other northern cities, was impacted in the 1910-to-1970 period when 6.5 million African-American migrated to northern cities such as Chicago, Kansas City, New York, Philadelphia and Baltimore. In 1910, the statistics indicated that 80 percent of the Black Americans lived in the South, mostly in rural areas. In the mid-70's, less than half lived in the south and even fewer in rural areas. The Great Migration was caused by the "push" of hardships in the rural South and the "pull" of the opportunities to the urban north.

The importance of this migration was the emergence of the blues music and the food brought from places like New Orleans and Baton Rouge -- the epicenter of Cajun country and where guitarist Buddy Guy got his start. Other locations of merit emerged in Clarksdale, Mississippi where Highway 61 and 49 crossed -- then northward to Memphis and St. Louis and then Chicago with legs extending eastward to the larger cities along the U.S. East Coast. A diversity of music clubs, and the replication of the themes of the Great Migration with venues to match locations and performers have been considered. This is unexplored "turf" and tied with several multi-anchors could be the basis for UED tenancy in a North Howard location. In this case, it is not the importance of precise "location, location, location," but, rather, "uniqueness, uniqueness, and more uniqueness". It is this uniqueness that creates a sense of "place" that will override the disadvantage of a cluster of unexcelled blocks.

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B. DEMOGRAPHIC TRENDS AND CHARACTERISTICS

1. Baltimore Metropolitan Area Overview

The overall metropolitan area defines the broad economic context for development opportunities. Accordingly, the following presents a brief overview of economic trends in the Baltimore metropolitan area.

a. Basic Indicators

The Baltimore PMSA contains a population of approximately 2.5 million. In recent years, this population has been increasing at rates of less than one percent (.03% to .04%) per year, and this gradual growth rate is expected to continue. Net migration has been negative in recent years, but this trend is expected to change, with gradual immigration occurring in the next few years.

Employment has been growing more rapidly, with growth ranging from approximately 1 to 2.5 percent in the last five years. These rates, however, lag national employment growth, which has occurred at 2 to 3 percent. Over the next four years, forecasts furnished by Regional Financial Associates show employment increasing at roughly 1.2 to 1.7 percent annually in Baltimore, and at roughly comparable rates in the national economy.

TABLE IV-1

SELECTED GROWTH INDICATORS
BALTIMORE METROPOLITAN AREA: 1992-2003

<u>Year</u>	<u>Employment Growth</u>		<u>Population Growth</u>		<u>Net</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Migration</u>
1992	1,092.7	-1.3%	2,427.5	-1.3%	-1.9%
1993	1,098.5	0.5%	2,440.7	0.5%	-2.2%
1994	1,115.5	1.5%	2,452.8	0.5%	-0.7%
1995	1,129.4	1.2%	2,462.5	0.4%	-2.4%
1996	1,138.8	0.8%	2,469.0	0.3%	-4.6%
1997	1,168.2	2.6%	2,476.0	0.3%	-4.0%
1998	1,187.9	1.7%	2,484.0	0.3%	-2.7%
1999	1,208.2	1.7%	2,492.8	0.4%	-0.8%
2000	1,224.5	1.3%	2,502.9	0.4%	0.9%
2001	1,239.9	1.3%	2,512.0	0.4%	0.4%
2002	1,258.3	1.5%	2,520.5	0.3%	0.3%
2003	1,273.0	1.2%	2,529.9	0.4%	1.3%

Source: Dismal Sciences/RFA; ZHA, Inc.

Implications to this project can be set within the framework of:

- Much higher percentage of annual expenditures will be made in food consumed outside of the primary home and a redistribution of expenditures by area residents will be made for entertainment in sporting and related activities.
- The past eight years of outlying settlement relative to employment growth opportunities will reverse in the 21st century as increased sensitivity to transportation frustrations and costs will sharpen the desire to gain acceptable living facilities nearer to their "place-of-work".
- The new digital economy will serve inner-city locations well as new urbanites. Singles, empty nesters, and childless couples shall fill this void with its affluence and well-educated population and values. Quality and unique operations offering a variation in themed food and entertainment will be their new "living room".
- The reoccupation of the inner-city neighborhoods by immigrants and new urbanities will increase the growing disinterest in the regional mall as acceptable play areas for shopping and entertainment. Current expenditure patterns will continue to undergo profound shift and reallocations to the unique and the unusual. The sameness and duplicative patterns of tenancy in suburban retailing shall redistribute a significant amount of expenditures to new outlets situated within the City's inner ring.

b. General Outlook

The biggest employers in the metropolitan area economy are in the services, government, and retail trade sectors. This is shown in Table IV-2 on the following page.

TABLE IV-2

NON-AGRICULTURAL EMPLOYMENT
BY INDUSTRY SECTOR (in 000s)
BALTIMORE PMSA: 1998

	<u>Number</u>	<u>Percent</u>
Mining	0	0.0%
Construction	64,147	5.4%
Manufacturing	99,784	8.4%
Non-Durable	50,391	4.2%
Durable	49,393	4.2%
Transp/Comm/Utils	57,019	4.8%
Trade	64,147	5.4%
F.I.R.E.	73,650	6.2%
Services	405,074	34.1%
Health Services	38,482	3.2%
Public Administration	215,010	18.1%
TOTAL	1,187,900	100.0%

Source: Bureau of Labor Statistics; RFA/Dismal Sciences; ZHA, Inc.

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These sectors comprise 34.1, 18.1, and 17.4 percent, respectively, of the area's total employment. Reflecting the importance of these sectors, the area's largest employers are:

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<u>Sector</u>	<u>Empl.</u>
Hospitals (Health Services)	54,300
Federal Govt. (Civilian)	46,400
Military	28,400
Business Services	23,000
Priv. Colleges/Universities (Edu. Services)	20,700

RFA/Dismal Sciences identifies the area's strengths as its:

- Growing transportation and distribution industries;
- Increasing popularity as a tourist destination; and
- Prominent medical/biomedical research industry.

Overall, the area's growth trends have been relatively flat. In this regional environment, development prospects will have to rely upon redistribution of expenditure funding generated primarily from (1) shifts within the metropolitan area; and (2) visitors from outside the area.

2. Trends and Characteristics of the Metro Trade Area

While more precise trade areas can only be defined after a development program is identified, in general, commercial development in the Study Area would serve:

- Downtown Baltimore, defined here as the "Metrocenter" planning district, comprising the census tracts 401, 402, 1101, 1102, 1701, and 2201.01. This area is bounded approximately by the Jones Falls Expressway on the north; the Fallsway and Presidents Street on the east; Henrietta Street between the Inner Harbor and Martin Luther King Boulevard on the south; and Martin Luther King Boulevard and Howard Street on the west;
- The City of Baltimore; and
- The Baltimore primary metropolitan statistical area, which comprises the counties of Baltimore, Harford, Carroll, Howard and Anne Arundel.

a. Growth Trends

Table IV-3 shows population and household trends in downtown Baltimore and the City of Baltimore. The City has been losing population since 1980, and these trends are expected to continue. Within the downtown/Metrocenter area, however, population has been increasing gradually.

Household trends parallel population trends. As with population, the City has been losing households, while Metrocenter households have been increasing gradually.

TABLE IV-3

DEMOGRAPHIC TRENDS
DOWNTOWN AND BALTIMORE CITY: 1980-1999

	<u>1980</u>	<u>1990</u>	<u>1999</u>
<u>METROCENTER</u>			
Population	14,511	14,469	14,783
Annualized Growth Rate		-0.03%	0.24%
Households	7,883	8,129	8,314
Annualized Growth Rate		0.31%	0.25%
<u>BALTIMORE</u>			
Population	786,775	736,014	635,581
Annualized Growth Rate		-0.66%	-1.62%
Households	281,414	276,484	241,139
Annualized Growth Rate		-0.18%	-1.51%

Source: Claritas, Inc.; ZHA, Inc.
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b. Profiles

Table IV-4 shows selected demographic characteristics in the three trade areas. Among these three areas, the City of Baltimore has the highest African-American concentrations, maintains the lowest incomes -- as measured by per capita or

median household income -- and has witnessed the slowest income increases. In general, most parts of the City approximate this overall profile, with high percentages of minority and low- to moderate-income levels. Only a few Planning Districts in the far northwestern (Roland Park, Mount Washington) and southeastern (Canton, Highlandtown, South Baltimore, Brooklyn) corners of the City deviate significantly from this general profile.

TABLE IV-4

SELECTED DEMOGRAPHIC CHARACTERISTICS
TRADE AREAS

	<u>Metro center</u>	<u>Baltimore City</u>	<u>Metropolitan Area</u>
Avg. Household Size	1.54	2.55	2.59
Per Capita Income	\$31,823	\$17,443	\$23,546
Change from 1989	60.2%	45.7%	42.1%
Avg. Hhold Income	\$54,592	\$45,163	\$61,370
Change from 1989	41.6%	30.7%	31.8%
Racial Composition			
White	40.1%	30.6%	67.8%
Black	51.9%	66.4%	27.5%
Other	8.0%	2.9%	4.7%
Educational Attainment (1990)			
Bachelor's Degree or Higher	42.5%	15.5%	23.1%

Source: Claritas, Inc.; ZHA, Inc.
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The downtown area is distinct from the rest of the City in that its households are considerably smaller. This reflects its higher representations of younger householders: 34.6 percent of its householders are in the 25-39 age group, as compared to 23.4 percent for the City and 22.8 percent in the metro area.

Another notable distinction in the downtown area involves the increase in its income indicators, which have increased significantly faster than in the City or the overall metropolitan area. This is consistent with its higher proportion of college-educated persons, as shown above in Table II-4. This trend also reflects the various revitalization efforts in the City's downtown areas, beginning with commercial projects such as the Inner Harbor developments, and continuing with the successful sports stadiums, commercial projects, and residential buildings that have appeared in the Inner Harbor and throughout the downtown area.

c. Downtown Residential Projects

In recent years, fifteen (15) residential projects have been planned and/or completed in the downtown area, including the areas surrounding the Study Area. These projects have increased the inventory of market-rate apartments by 300 units within the last six months, and will add approximately 1,500 units in the near future.

The first of these recent projects is the Gallery Towers project, a high-rise, renovation located just north of the Study Area at the intersection of Park and Centre Streets. This project offers 144 one-bedroom units, with monthly rents ranging from \$645 to \$810. The project achieved full occupancy within three months after opening, attracting students and young professionals, most from outside the Baltimore area.

The second new project is Redwood Towers, which opened in January, 2000. This project's 151 apartments are primarily two-bedroom units, with monthly rents ranging from \$1,100 to \$1,010. While this project has not achieved the rapid absorption of the Gallery Towers project, recent leasing activity has proceeded at a pace of nearly 20 units per month.

As these and other projects open and attract new residents to downtown and its surroundings, they will enhance the market's image as well as its demand for new services, and thereby accelerate the trend toward further investment and development in the area. Such further investment will generate new opportunities, spurring additional residential development potential. As a result, additional residential developments will be viable, and demographic growth will exceed the rates achieved in recent years.

C. PRIMARY ATTRACTIONS, EXISTING AND PLANNED

1. Entertainment/Retail/Commercial

a. Entertainment Districts

Baltimore's Inner Harbor area is Baltimore's most-visited tourist destination. The primary attractions within walking distance of the Inner Harbor, listed with approximate annual attendance, include the following:

- Oriole Park at Camden Yards, Baltimore Orioles Major League Baseball stadium (3.5-4 million spectators);
- PSINet Stadium, Baltimore Ravens National Football League stadium (600,000 spectators);
- Recently expanded Baltimore Convention Center (543,500 delegates, 1998);
- National Aquarium (1.6 million visitors);
- Maryland Science Center (500,000 visitors);
- Baltimore CBD, containing more than 100,000 downtown workers and 5,500 hotel rooms within eight blocks of Harborplace;
- American Visionary Art Museum;
- Port Discovery (children's museum);
- Columbus Hall of Exploration; and
- Various smaller museums (e.g., Baltimore Maritime Museum, Baltimore Public Works Museum, etc.).

Overall, recent visitation (including visits by metropolitan area residents and workers) to the Inner Harbor area has been estimated at 15 million annually. This exceeds total annual visitation to the Baltimore metropolitan area (from outside the metropolitan area), which has been estimated at 13 million.

The Baltimore Primary Metropolitan Statistical Area (PMSA) contains a population of roughly 2.5 million. According to Harborplace management, the Inner Harbor area derives approximately 40 percent of its support from the metropolitan area residents and downtown workers. Visitors generate the remaining 60 percent of sales. Overall, visitation in Baltimore has been estimated at 13 million.

b. Miscellaneous Retail/Entertainment/Commercial

Retail development in the Inner Harbor area includes 450,000 square feet of leasable space in three facilities. The Harborplace development features two pavilions totaling 140,000 square feet of leasable space. Opened in 1980, Harborplace's tenant mix features a wide variety of eating and drinking tenants (Paolo's, Phillips Seafood, Cheesecake Factory, Planet Hollywood), as well as specialty retailers.

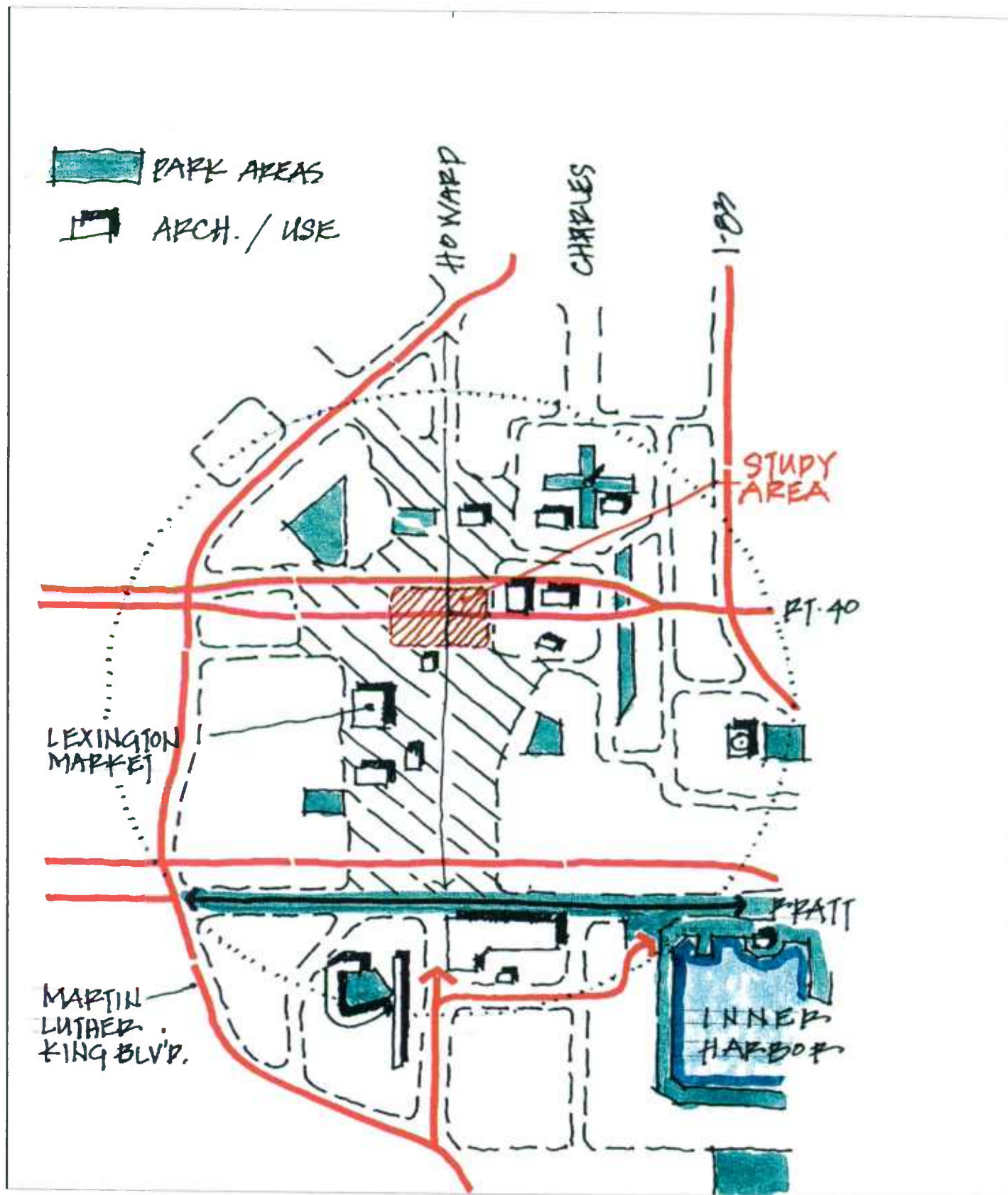
The Inner Harbor's second major commercial component is the Gallery, a multi-level mall attached to Harborplace by a pedestrian bridge. This contains 135,000 square feet of additional retail space. Retail tenants feature traditional upscale stores such as Brooks Brothers, Banana Republic, Ann Taylor, J Crew, etc.

A new development, the Power Plant, adds a third major retail/entertainment center to the Inner Harbor area. Opened in 1998, the Power Plant is within easy walking distance of Harborplace, connected by a waterfront promenade. The Power Plant contains approximately 170,000 square feet of leasable space. Major tenants include a Barnes & Noble superstore, the nation's first ESPN Zone sports theme restaurant, a Hard Rock Cafe, and other restaurants and retailers.

The various commercial centers, museums, and other visitor attractions are clustered around the waterfront, linked to one another by a series of public spaces including a pedestrian/visitor promenade, an informal street theater area, a marina, and various maritime features, including a tall ships docking area and tours of historic vessels (U.S.S. Constellation, U.S.S. Baltimore, U.S.S. Taney).

While detailed sales and leasing data are unavailable, these three commercial components maintain full occupancies, and are generally regarded as the City's most successful retail areas. Ongoing and proposed developments in the Inner Harbor include new hotels with restaurants, and new high-rise apartments and condominiums.

Located just east of the Inner Harbor, and adjacent to the Little Italy district, Fells Point Entertainment District offers an assortment of restaurants, bars, live music venues, and specialty retail stores in a district with a historic, maritime atmosphere. While precise data are unavailable, the area's 260 businesses (including non-retail businesses) derive most of their support from visitors. New development projects and new improvements have improved the linkages between Fells Point and the Inner Harbor.



CIVIC SPACES AND PARKS

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THE AFRICAN AMERICAN ENTERTAINMENT DISTRICT WOULD BE ONE OF MULTIPLE SMALL MIXED USE NEIGHBORHOODS MAKING UP THE "WEST SIDE" DEVELOPMENT OPPORTUNITY AREA

HOWARD

CHARLES

1-83

1/2 MILE RADIUS

LEXINGTON MARKET

MARTIN LUTHER KING BLVD.

PRAIRIE

INNER HARBOR

P21-40

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In the entire downtown area, various sources estimate the entire inventory of occupied retail space at 1.2 to 1.3 million square feet. This figure excludes vacant buildings as well as occupancies for financial institutions, medical offices, check cashing services, and automotive uses (e.g., gas stations, auto sales).

2. Lexington Mall and Market

In the West Side, the most prominent retail concentrations are the Lexington Mall and Lexington Market. The Lexington Market, contained in two buildings, is an enclosed market area with open stalls and counter areas for approximately 130 merchants. Merchants offer a diverse range of products, with its primary emphasis on prepared and unprepared foods (meats, fish, poultry, produce, etc.).

Management reports that market business rests on three general groups:

- Nearby residents, with a high representation of low- to moderate-income African-Americans -- approximately 33 percent;
- Downtown/West Side workers and students -- approximately 33 percent;
- Others, including tourists and suburban shoppers -- approximately 33 percent.

The 266,000 square foot area (including common areas) maintains occupancy rates ranging from 95 to 100 percent. While sales figures are not available, management reports that the market's activity as measured by its parking patronage and percentage rent receipts have been increasing consistently.

The Lexington Mall area is one of West Side's major concentrations of retail activity. Tenants along the mall are primarily value-oriented stores or smaller, independent businesses. The area does not contain prestigious businesses; lease rates range from approximately \$12 to \$14 per square foot on a triple net basis.

3. Planned Projects

Seven commercial projects with substantial retail components are currently planned for development in downtown Baltimore. These would add a total of approximately 1.25 million square feet to the City's current inventory. Of this total, more than 500,000 square feet would be located in the West Side area. The planned projects include:

West Side Projects

- Centerplaza, just south of Charles Center, would involve improvements to the existing plaza, and renovations of more than 30,000 square feet of existing space, with an objective of attracting restaurants and upscale retail tenants.

- A renovated Charles Plaza, in the space currently occupied by the Johns Hopkins University downtown campus, would reconfigure the existing 50,000 square feet of retail space for neighborhood-oriented retailers, possibly including a grocery store. This complex currently sustains high vacancy rates; tenants include a food court, book store, and coffee shop.
- The Bank of America Centerpoint project, located on the block just east of the Hippodrome Theater, would preserve the existing buildings, and would include more than 300 apartments, at least 50,000 square feet of new retail space, and an entertainment-focused reuse for the Town Theater.
- The Weinberg Foundation's multi-component Weinberg Mews project, which would occupy the area bounded by Liberty Street on the east, Clay Street on the north, Howard Street on the west, and Fayette Street on the south. This project would include a 10-screen, state-of-the-art cineplex, high-end retailers (e.g., Old Navy, Modell's, office supply, computer goods, etc.) in a total of up to 400,000 square feet of new space.

Inner Harbor Area Projects

- Inner Harbor East, which would feature new retail space on President Street between the Inner Harbor, Little Italy and Fells Point areas. The 280,000 square foot retail component would feature a grocery store and a cinema. In addition to retail/entertainment uses, this mixed-use development would feature two hotels and, upon final buildout, up to 900,000 square feet of office space.
- Power Plant Live, located in the Brokerage building at 34 Market Place, would feature 130,000 square feet of space for bars, nightclubs, restaurants and live performance venues.
- Lockwood Place, on East Pratt Street on the campus of the Baltimore City Community College, featuring a 250-room hotel, an office tower, and 120,000 square feet of high-end retail development, due to open in late 2002.

If all seven of these projects move forward, this would supply more than one million square feet of new space to the downtown area's current inventory of approximately 1.25 million square feet.

D. LIKELY SUPPORT FEATURES OF THE DOWNTOWN WEST SIDE MARKET

1. Overview of Market Segments

In general, market support for urban entertainment centers is furnished by a combination of local residents, local workers, event attendees, tourists, and the overall metropolitan area population. Successful urban entertainment centers are able to draw upon non-local

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sources for as much as 50 percent of their sales, in some cases.

In the Study Area, a successful retail/entertainment center would have to derive support from a mix of these same sources, but interviews indicate that under current conditions, successful retailers along Lexington Street and in the Lexington Market draw spending from roughly equal parts of three segments:

- Nearby residents;
- Downtown workers; and
- Others -- event attendees, visitors from outlying areas, tourists, etc.

The following sections examine these three market segments, and their likely levels of support for new retail/entertainment projects in the Study Area.

a. Downtown Residents

Downtown residents comprise only a small portion of the demand for retail goods and services in downtown Baltimore. The resident population lacks the volume and incomes necessary to support the downtown array of retail services, which serve tourists, employees, and visitors or event attendees from various metropolitan area locations. To illustrate the limited extent of the resident market role in supporting downtown retail establishments, Table IV-5 shows an inflow/outflow ratio, which measures the spending generated by local residents of a given area against the sales achieved by the establishments within the area. Where total spending is equal to total sales, the inflow/outflow net capture rate would be 100 percent. When the net capture rate exceeds 100 percent, this indicates that the spending flowing into the area's businesses from outside the area exceeds the local resident spending flowing out of the area.

The table shows that local resident households spend an annual combined total of approximately \$89 million on retail goods and services (excluding vehicles, fuels and related items). This is based on an average household spending figure of \$10,700 among the area's 8,300 households.

In the table, the Metrocenter net capture rate is nearly 800 percent, indicating that local resident spending accounts for roughly one-eighth, or 12.5 percent of total retail sales in the Metrocenter planning district.

TABLE IV-5
RETAIL SPENDING CAPTURE ANALYSES

	<u>Metro Center</u>	<u>Baltimore City</u>	<u>City Less Metrocenter</u>
Households	8,314	241,139	232,825
Avg. Retail Spending	\$10,685	\$11,772	\$11,811
Total Spending (\$ millions)	\$89	\$2,839	\$2,750
Total Sales @ Area Retailers	\$706	\$4,110	\$3,405
Net Capture of Local Spending	794%	145%	124%

Source: American Business Information, Inc.; Claritas, Inc.; ZHA, Inc.
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Notwithstanding the limited support that would be derived from local resident spending, the local resident market is growing. As discussed in the preceding section, over the next few years roughly 1,500 new market-rate units are proposed for construction within easy walking distance of the Study Area. Based on the market success of the first of these projects, and with 300 other new units recently completed, this will add approximately 1,800 new households to the market.

These additions to the local market would increase the number of households by 19.5 percent. Assuming that these new households approximate the spending patterns of the current population, these new households would thus increase local spending by roughly \$17 million, bringing the projected total to approximately \$106 million.

TABLE IV-6

SUPPORTABLE RETAIL SPACE
BASED ON LOCAL RESIDENTIAL MARKET

	<u>Current</u>	2005 <u>Projected 1/</u>
Households	8,314	9,934
Growth	--	19.5%
Spending	\$89	\$106
Growth 2/	--	19.5%

1/ Calculation based on construction of 1800 new dwelling units, assuming 90 percent occupancy.

2/ The projected growth of 19.5 percent is actually a conservative projection, for it assumes that the incomes of new households will be similar to current households. Based on recent leasing and recent increases in household incomes, new households are likely to offer increased spending potential.

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c. Downtown Employment

The inventory of roughly 100,000 full-time downtown workers¹ should support approximately \$2,400 per worker in annual spending in the downtown area. This would generate \$240 million in annual spending on retail goods and services relating primarily to eating and drinking, specialty goods (e.g., books, baked goods, office services and supplies, gifts, etc.), and entertainment-related activities. While current and planned retail/entertainment uses are concentrated around the Inner Harbor, these developments are oriented primarily to tourist shoppers. An improved image and high-quality development could enable the West Side to provide an alternative to the Inner Harbor retail orientation, and thereby reclaim an important status as a vibrant part of downtown Baltimore.

¹ Various sources provide estimates ranging from 100,000 to 140,000. The 100,000 figure is provided by the Downtown Partnership; as a more conservative figure, it represents an appropriate estimate for the compact "downtown" area within close proximity of the West Side.

In the next three to five years, the number of downtown workers near the Study Area is expected to increase. In recent years, downtown Baltimore's vacancy rates have decreased significantly. Downtown employment has increased in both of the last two years. In 1999, downtown's three percent employment growth outpaced corresponding growth in Baltimore City, Baltimore County and its adjacent counties. This increase added roughly 2,800 jobs, led by increases in the government, F.I.R.E., health care, information technology, utilities, and art/entertainment and recreation sectors.

As this growth has occurred, office vacancy rates have dropped sharply. Class-B vacancies, in particular, have declined from 27 percent in late 1996 to 12 percent in June, 1999. Class-A vacancies have declined from 13.5 percent to 9 percent; overall office vacancy has declined from 20 percent to 11 percent during this period. Table IV-7 shows various statistics indicating the recent changes in office vacancy rates.

TABLE IV-7
DOWNTOWN OFFICE VACANCY TRENDS

<u>Project</u>	<u>Dec-95</u>	<u>Dec-96</u>	<u>Jun-99</u>	<u>Dec-99</u>
Total Office Space	--	20%	11%	
Class A	--	14%	9%	--
Class B	--	27%	12%	--
Class B and C 1/	24%	--	--	13%

1/ Dismal Sciences/RFA.

Source: Downtown Partnership; Dismal Sciences/RFA; ZHA, Inc.
segments/offices

As vacancy rates have declined, rental rates have increased. The Downtown Partnership reports that Class-A rates have increased by \$5 to \$8 per square foot in roughly two years, with high-end space leasing at close to \$30 per square foot on a net basis.

Additional office development and leasing activity will likely continue to increase the downtown worker population in the next few years. Two new employment sources are likely to add more than 2,000 workers to the West Side alone. These include:

- Planned expansions to the University of Maryland at Baltimore/ University of Maryland Medical Center complexes. These involve approximately \$300 million of investments in new facilities which are expected to increase campus employment by approximately 1,300 workers; and

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- The renovation of the Stewarts Building, situated within the Weinberg Mews mixed-use redevelopment (see previous description). This is expected to provide 170,000 square feet of space for call center/telecommunications operations, which should accommodate roughly 800 new workers.

In addition, new office developments (and renovations at various locations) and ongoing leasing activity in other parts of downtown can be expected to increase downtown employment. Assuming a reasonable increase of two percent per year over five years, downtown employment can reasonably be expected to increase to over 110,000 by 2005.

Applying the above-referenced spending multiple of \$2,400 per worker per year, the current inventory of downtown workers are likely to spend \$240 million in downtown and its immediate surroundings. Given the range of options at various commercial areas around the Inner Harbor and other parts of downtown, high-quality businesses on the West Side can reasonably expect to capture roughly 35 percent of this spending. Thus, current downtown workers could potentially generate \$84 million in spending on the West Side. As the number of downtown workers increases, this would generate an additional \$9 million in West Side spending, bringing downtown workers' annual West Side spending to nearly \$93 million over the next five years.

TABLE IV-8

DOWNTOWN WORKERS WEST SIDE RETAIL SPENDING

<u>Project</u>	<u>Assumption</u>	<u>Current</u>	<u>Projected 2005</u>
Downtown Workers	2% ann. growth	100,000	110,408
Worker Spending	\$2,400 per year	\$240,000,000	\$264,979,393
West Side Capture Rate		35%	35%
West Side Spending		\$84,000,000	\$92,742,787

Source: Downtown Partnership; ZHA, Inc.
segments\offsegsup

E. ESSENTIAL NEED FOR OUTSIDE METRO MARKET SUPPORT

1. Need for Support from Outlying Metropolitan Area and Beyond

The preceding sections identify a demand for \$199 million in West Side retail spending, with \$106 million generated by current and future residents, and \$93 million generated by current and future downtown workers. Based on an annual sales ratio of \$250 per square foot, this would support approximately 710,000 square feet of retail space on the West Side.

As shown previously, current plans for the construction of more than 500,000 square feet of retail/entertainment space is projected within the West Side. While the West Side's current inventory is not precisely known, a number of figures would indicate a magnitude of about 500,000 square feet of additional retail space is being programmed. This would bring the West Side inventory to roughly one million square feet, which would exceed the 710,000 square feet that could be supported by local employment and close-in, resident sources.

This "excess" of West Side retail space does not indicate an oversupply. It does indicate, however, that the Study Area redevelopment will face a competitive environment, and must be able to attract spending from patrons in the outlying parts of the metropolitan area as well as non-local tourists. Therefore, care as to convenience of parking, transit alternatives, and ties to the sporting and other venues in downtown are critically important if the North Howard Street UED is to be successful.

In defining its strongest niche in a competitive environment, new development in the Study Area must be able to distinguish itself; it cannot follow development models that have proven successful in the Inner Harbor or other locations. Instead, the Study Area must:

- Target identified gaps in goods and services as well as unserved or underserved retail/entertainment niches; and
- Create new attractions that will enable them to achieve higher penetrations of outlying areas and tourist markets.

If the Study Area development program can achieve these objectives, it will be able to attract significant outside visitation and spending, and ultimately prove viable.

2. Important Current Destinations

The current inventory of nearby attractions, destinations, and planned entertainment-related developments should help draw visitors to the Study Area. The most prominent among these are:

- The Inner Harbor's various attractions, which include a broad range of museums, retail and entertainment uses (see Section III above). These venues attract a combined total of roughly 15 million visitors per year.
- The Baltimore Convention Center.
- The sport complex comprising Oriole Park at Camden Yards and PSINet Stadium, which attracted 4.5 million fans in the latter facility's first year of operations.
- Mount Vernon Cultural District: To the north of the Study Area, the Mount Vernon Cultural District contains Baltimore's primary concentration of cultural attractions, which draw a combined total of 1.5 million visitors annually. The eight cultural institutions in the district include:
 - Baltimore School for the Arts
 - Basilica of the Assumption
 - Center Stage
 - Contemporary Museum
 - Enoch Pratt Free Library
 - Maryland Historical Society
 - Peabody Institute
 - Walters Art Gallery

Each of these is undergoing renovations and improvements, ranging from the \$450,000 construction of new gallery space at the Contemporary Museum, to the \$18.5 million renovation of the Walters Art Gallery.

In addition to the above, new venues promise to increase the flow of visitors to the general West Side area. These include:

- The renovated Hippodrome, which is projected to attract approximately 420,000 patrons annually.
- The newly relocated Eubie Blake Center, to be located approximately three blocks north of the Study Area, along Antique Row. This facility will be a 21,000 square foot building featuring:
 - A jazz museum highlighting the lives and works of Eubie Blake, Cab Calloway, Chick Webb, Billie Holiday, and other Baltimore jazz musicians;
 - Studio and classroom space for various art forms, including music, dance, and visual arts;
 - A 150-seat performance venue; and
 - Other space for conferences, adult education, office, and amenities such as a sculpture garden and lounge.

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- Various planned entertainment projects, which may include a 10-screen state-of-the-art cineplex in the Weinberg Mews project, and an as-yet-undefined live performance venue in the Centerpoint project. These types of entertainment venues will significantly increase week-end and evening traffic to the area and introduce significant new spending potential.

V. MARKET APPROACHES AND REUSE VARIABLES

A. DEFINITION AND MARKETING ASPECTS

The North Howard Street site includes net developable land of approximately 446,875 square feet, currently containing vacated parcels, surface parking, and buildings. The earlier sections explored the site and its topographic features, building size and configuration, square footage and condition of improvements. Certain site opportunities and site constraints were noted and explained. Another important characteristic of the site is the current density of building site coverage with a Floor Area Ratio (FAR) of approximately 1.4 (number of square feet of building space as compared to land area).

Nearly 60 percent of the space (372,600 square feet) is on upper floors of the total 624,054 square feet estimated to be presently within the current properties. Significant land topographic changes are evident and present interesting design and related opportunities for reuse and new construction.

All four blocks have interior narrow alleyways laid out in all four cardinal directions, indicating potential for developing interior pedestrianways tied to the street frontage of existing buildings. Utilizing these passageways to create a system of connections can knit our UEC into a cohesive whole, notwithstanding the street penetrations within the four blocks.

Earlier data investigated the limitation of the Baltimore regional market in terms of consumer spending patterns, ethnic and racial composition, age, educational attributes, and gender distribution. Competitive supply, current or announced, focusing on entertainment and the special mixture of "best-of-kind" outlets owned or operated by African-Americans, was inventoried locally and nationally. These findings were documented and submitted to the client in early working memoranda.

This section is meant to establish the opportunities and likely approaches to be viewed in UED programming, the density of yield support likely, and the implication of staging development and other aspects so important to this analysis. This preliminary information is meant to offer to the design firm, RTKL, a working knowledge of likely uses and densities that an African-American UED might take.

Implications of these market findings are tempered by the likely aspects of the product to be marketed in terms of uniqueness and stability of the uses to be created.

Recognition must be given to how much the suggested uses reflect the orientation of the five functional market concerns that include the ability to:

- Be distinctive as a UED's use.
- Draw a diverse and broad residential market.
- Deeply penetrate your primary market.
- Encourage diverse visitations and a propensity for repeat visits.
- Adjust to daily and seasonal demand periods.

Positioning the UED to its natural residential market is the key to creating a long-functioning development. Destination developments such as the nature assumed for North Howard's location involves determining if the complex can outperform the more typical retail concentrations including standardized regional centers.

1. Distinctiveness of UED's

Distinction from its competition is the novel art of the developer's ability to understand the local market and to identify "niches" and gaps that can be permanently exploited in the fields of family entertainment, evening entertainment, shopping, and dining. Suggested uses for the UED must respect the following limitations:

- Not duplicate commonly found uses in the region that limit propensity of visitation by the local residential market, such as cinema, themed restaurants, bookstores and "big-box" uses.
- Be situated in a location to tap supporting museums, hotels, convention halls, and tourist locations.
- Be dominant and unchallenged in its use mix and tied to a marketable theme difficult to replicate by its multi-anchoring uses.
- Keep "street-oriented" (rather than enclosed) as a retail environment and be aggressively supportive of incentive programs publicly generated.
- Create a system of passageways and connections that knit the UEC into a cohesive whole.
- Limit uses to the "best-of-kind" to encourage non-chain or, if necessary, a flagship unit that can act as an "icon" anchoring use.
- Insulate the location within a district that prevents likely outmaneuvering by another competitor with a superior location or updated use -- in other words, the UED must be located to provide a sustainable competitive advantage relative to all likely future competition.

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2. Drawing Power

The North Howard UED must be designed to attract residential consumers from a geographical range at least twice that of a super regional center. It is thought that in Baltimore at least 65 percent of the annual sales must be generated from local residents with the balance from convention, sporting events, and tourism. Its principal market could be as far as 35 miles compared to a regional center's pull of about 15 miles.

- Expect North Howard to draw at least 40 percent of its business from locations at least 30 minutes from the UED's location (its secondary market).
- Anticipate that the UED's sales could double at least the expenditure volume of its close-in primary market for identified products.
- North Howard UED should not proceed unless confidence is demonstrated that it can capture the extended principal market with an itinerary of experiences that are unique to Baltimore.

3. Depth of Penetration

Penetration of its close-in primary market -- an area normally no larger than 12 travel minutes from the UED location -- should exceed that of most other scattered retail/entertainment outlets. Capture rates in many UED's are currently reaching up to seven times the identified expenditure base due to its broader attractiveness to extended markets and special visitation markets. High repeat business is the key to a UED's success!

- UED's, unlike regional centers, must attract a balance of men and women and strong primary families. Aiming toward an equal balance ratio is the best formula thought today. While seeking a gender balance, the UED must appeal to a broad classification of primary families, young adults, and older persons to maintain penetration levels tied to specialized programming events during weekday and weekend/evenings.
- It is essential that the UED, or its surrounding context, provide a variety of destinations that comprise, perhaps, cinema megaplexes, ice rinks, live performance venues, or cultural facilities that are centrally marketed involving the UED as an integral part of the whole.
- It is the combination of the UED's "best-of-kind" uses and its supporting cultural activities that provides the renewing demand from the residential markets and causes such high levels of repeat visitations.
- Limiting customer appeal to one gender, race or age has no supporting indication of success in UED development.

4. Visitation Duration

A mix of "best-of-kind" uses enables a UED to generate visits up to three or four hours. Leasing orientation must be blended to achieve the creation of varying itineraries of patrons for certain periods of the week. Orientation for daytime visits by tourists and daytime employees requires certain uses; evening venues such as cultural activities will attract evening patrons; and uses oriented to the student and young single markets will foster weekday evening attendance. Such blending and matching of uses within the UED is the objective of the critical leasing design. The more the uses are regionally exclusive or locally created, the UED shall "out-perform" the more acknowledged chain operations that are universally recognized and competitively located elsewhere in the market. In fostering this mixing and matching, one must acknowledge that:

- Amount of leisure expenditures relate directly to the duration of the patron's length of time spent within the UED.
- Variety of choice and linkage of a pedestrian-friendly passageway system sets the tone for extended visits.
- Creation of browsing and "in-store" engagements are critical aspects in choosing a tenant mix for a UED.
- Evening duration is often tied to live entertainment within the UED and extended service hours.

5. Utilization and Demand Periods

Evening patronage varies from weekdays compared to weekends, and daytime patronage shifts by consumer groups tied to activities and events. Leasing of a UED must respect:

- The UED's ability to pull patronage during varying times by programming and use differentials that are difficult for traditional retailing outlets normally found in regional centers.
- Often mornings and mid-afternoons, if programmed, can penetrate the convention and tourist markets.
- Noon and after-work hours are niche times to attract daytime employees engaged within proximity to the UED from large employment centers.
- Students find weekday evenings most conducive to repeat visits to UED's featuring sport-related engagements and related performance activities.

The RTKL/ZHA Team feels the listing above sets the framework for the identification of competitive "best-of-kind" and "icon" uses within the Baltimore region. However, it is how we apply a tenant mix to the identified site and "sense of place" within the West Side revitalization that will determine the success of installing a UED as an integral ingredient in the West Side. It shall be very difficult to completely fill all the 23 suggested concerns in a single destination development -- the key is to fill a preponderance to ensure long-term stability of the uses created.

B. DEFINITION OF PROGRAMMING

Within the constraints of market findings, there are certain guiding principles directing the formulation of alternative development scenarios, listed as follows:

- Opportunities for minority investment and ownership/tenancies
- Appeal to diverse market niches difficult to duplicate
- Scale of new construction versus adaptive reuse
- Potential to reach industry standards for stabilized operations
- Compatibility to the balance of West Side development plans

Perhaps a sixth variable should be added to the above listing -- that is, "place" and not location. The identified four blocks for this proposed redevelopment must be considered as a "location" and lacks most attributes of "place". Ronovan Rypkema best stated our concerns as "all places must be imbued with something beyond its physical characteristics -- something intangible: an experience, a sense, a power, a quality of being good". Landscape artist Allan Gussow defined "place" as "a piece of the whole environment that has been claimed by feelings". It is clear that our four-block area lacks most of these feelings and characteristics and that its dependence is two-fold - what we can do to create a "place of unity and merit" and what we can tie into that dictates benefit to us. West Side and the nature of this broader revitalization must assist this four-block redevelopment or we will fail.

One of the evident aspects of exploring the programming of the West Side program south of Saratoga Street reveals a somewhat myopic focus around certain real estate holdings or blocks and/or an internalized series of reuses. Commitments by the Foundation and Bank of America in many ways are "project-driven" and the entire program seemingly lacks a comprehensive view of what shall be the organizing public infrastructure that brings the movement from the University toward the downtown core together, and which offers singularity in terms of public structure on the pedestrianways and street right-of-ways. No definition of the northward movement to our site is explained and the role of our UED and the modified nature of Lexington Market are left for one's imagination. These important aspects are beyond the scope of this endeavor, but integration of various movement systems for pedestrians, a streetscape that is conducive, parking, and signage are vital aspects to contribute to success.

This is a serious threat to the feasibility of an African-American UED that should complement and add strength to the entire West Side story. Most successful large-scale downtown revitalization is anchored solidly in carefully conceived civic squares, ceremonial streets, and parks and green areas. Insertion of a unifying range of well-designed landscapes often provides the different

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experiences and amenities that attract over and over the residential client of all races and economic status. It is thought that West Side's public space programming needs further careful consideration - either restored or built anew but certainly with a difference in character from other parts of central Baltimore. A customer must feel special and be a welcomed part of the West Side program. These organizing themes could be public art, outdoor theaters, waterworks of merit and extensiveness, extraordinary pedestrian transit ways -- all created for the broader community to visit and enjoy, creating a new venue for the visitors.

We, the UED consultants, can handle the interior aspects of our proposed streetscape environment, but we must look to the BDC and the West Side Reconnaissance Task Force to ensure the broader conceptual nature of the West Side Street scene.

In structuring a UED predominately oriented to African-American investors/ tenants one must "jump-start" and leap ahead in Black entrepreneurship's forms and variety. Unfortunately, this means for many reasons that initial development must be capable of asserting its own image. Incremental development is difficult to imagine as a successful formula. Unrealistic aspirations must be tempered with the practical -- yet practical past actions must be pushed onto new levels of achievement.

First, a common agreement must be reached as to the definition of Urban Entertainment District (UED). The Urban Land Institute's definition is the only qualified statement evident. In general ***"UED's tend to offer a combination of entertainment, dining and retail -- the 'trinity of synergy' -- within a pedestrian-oriented environment. These amenities and uses act independently but primarily in unison, drawing visitors from a variety of overlapping markets."*** This is what distinguishes Urban Entertainment Centers or Districts from others forms of retailing. Cineplexes for instance, will attract patrons from an area three times as large as a traditional community "film zone"; food courts and restaurants and live entertainment bars can draw from a variety of markets such as downtown or nearby businesses at lunch time or after work, and evenings; and the development as a whole may pull patrons from an hour or more away depending on the regional competition and the use differential of the UED.

UED's operations often are formed around the standard landlord-tenant relationship for upkeep, parking controls, and maintenance of common areas, unified for distinctive advertising and marketing. Therefore, to have a true African-American Entertainment District, our Task Force and Chair must view Black entrepreneurship as: (1) being a Black investor possessing a property leased to non-Black tenant; (2) being a Black tenant leasing from a non-Black owner; (3) being an African-American investor(s) and operator or another Black operation leasing their outlet; (4) being completely a majority-controlled property and business. Many forms of franchisee operations could contain partial ownership or tenancies with Black participation. For our purposes, we are assuming that at least fifty percent (50%) of any measurable scale will reveal Black involvement within our targeted site and program. We anticipate all four forms stated above to occur in our programming and leasing controlled by a single publicly held entity with contractual arrangements with a Master Merchant Developer operating on fee basis tied to incentives.

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UED emerging trends are most interesting. Few have been developed outside of massive tourist-driven markets or sizable "Class-A" cities; even fewer have been refinanced or sold to established leveraged values. Those that have tend to migrate toward a formula showing definite signs of faltering. Lots of announced and recently planned UEC/D's view the cineplex, new stadium-seating, sound and multi-screen theater as the essential "icon" to attracting a stable evening venue for the balance of the development's restaurants and such. **Entertainment Business News** recently revealed that "big theater chains bled more red than a horror flick last year, and losses are prompting many of the movie houses to take a knife to their expansion plans." In essence, this form of UEC-sponsored development will begin to feel the pinch and developers are reporting cancellation in leases, and/or renegotiated terms for base and fit-out lease terms, and other constraining aspects.

Many view that in the long run this could be a good thing for entertainment and retail centers, since they are already beginning to look like each other all over again.

C. FUNCTIONAL CLUSTERING CONCEPT

The current North Howard Street project would be the first of its kind. No other urban entertainment in the nation can offer an appropriate "prototype" for a project with an African-American orientation. The Bronzeville and Sweet Auburn districts in Chicago and Atlanta provide links to history and native entertainers/performers, but while these areas offer recognition as areas rich in heritage and possibly opportunity they have not emerged as successful, revitalized urban entertainment districts.

Other entertainment-related projects associate themselves with recognized labels such as Memphis' Beale Street and Harlem USA. Neither of these projects, however, can offer guidance for the current project. Beale Street has undergone successful revitalization, but its ownership and tenant mix is drifting away from the African-American community. Harlem USA, a successful revitalization project in Harlem, bases its success on its ability to bring national chain franchises to the African-American inner city; it does not offer a mix of unique uses or a base of locally owned businesses. The findings of a preceding memorandum, dated May 15, 2000, show clearly that the current project cannot hope to succeed with this sort of prototypical -- and therefore replicable -- product.

Notwithstanding the above, Howard Street's success as an urban entertainment project will be based on precedents. The RTKL/ZHA Team's experience and research has identified opportunities for unique types of uses, facilities, and combinations, which are discussed below. These opportunities are based on precedents -- in various forms -- that have proven successful in other contexts. The Team's envisioned selection and combination of these concepts will provide a mix of uses that can generate activity and entrepreneurship, while creating a truly unique entertainment destination.

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1. Taking Functionality to Create a "Sense of Place"

Within this evolving condition and because the Foundation's four-block redevelopment around the Stewart Building envisions a sizable cineplex, the North Howard development must be skillfully commingled with uses that are compatible and not duplicative to the southern tier uses. Some duplication is likely but much forethought should be exercised in finalizing a tenancy listing tied to a deep understanding of the entire venue of the West Side projects. Accordingly, the Task Force's consultants have taken a move toward functionality to identify potential uses and reuses for its "place".

This functional clustering of programming opportunities can be identified, as follows:

- Ragtime, Gospel, Blues, and Jazz Themed Entertainment. Clearly, the ethnic diversity of Baltimore and its majority of African-American representation should be reflected. This involves celebrating the history of folk music developed in the Deep South and commercialized in Memphis, Kansas City, New York, and Chicago. The celebrated performers moved their musical presentations to most major cities including Baltimore. However, while Baltimore was certainly a major booking location for many touring groups, the West Side neighborhood district(s) was renowned in handling and presenting several notable local artists including Eubie Blake, Cab Calloway, Chick Webb, and Billie Holiday.
 - "Best-of Kind" Regionally Exclusive. In attempting to emphasize that each UED should be distinctly different from others being repetitiously offered, we have departed from the formula-driven and attempted to reach out and identify local, regional and "one-of-kind" operations nationally that might be induced into our proposed UED. These operations are noted for their unique service, cuisine, or operational style. To be thought in this category, such an operation does not currently need to be at peak of operations due to limitations or others circumstances, but must be deeply appreciated by its customer, and not easily replicated.
- Uniqueness and variance is important -- whether majority or minority controlled and operated.
- Sports-Related Entertainment. Appealing to the student population located just west of our "place" would bring dependable weekday and evening traffic into the UED. The most inducive aspect seems to be any sports-related engagements or related performance activities, tied to extended service hours. With two profound national sports teams to the south and immediately accessible by light rail, these two teams would generate nearly three million fans yearly, all capable of being induced to visit some aspect of downtown entertainment if marketing is properly oriented.
 - Galleries, Vendors and Artisans. In site programming, the concept is to create petite interior street arcades, signature public art, and public artwork complementing the functional aspects of the tenancies. Integrated within this matrix should be opportunities for vendor operations, artisans work outlets, galleries, and perhaps a variable amphitheater-type outdoor entertainment street event area, all perhaps incorporated into a form that could be commercialized by a "name sponsoring" identity that would challenge the creation of street performing artisans.

Underpinning the UED is the installation of two rather unique facilities that in themselves create a dominant, unchallenged use mix within this region tied to a market theme difficult to replicate.

First, Baltimore has two creative owners of professional sport teams and African-American players (with business agents) who receive signing bonuses and sizable salaries. These individuals are oriented to finding unrelated business opportunities in their sponsoring cities for investment, both active and passive. A sport bar and restaurant, for instance, is a known state-of-the-art revenue producer. Several clusters tied with rapid access to the stadia is overwhelming if one considers the 105 scheduled event days that have crowds from 30,000 to 70,000 within proximity.

If the West Side could complement itself with special event shuttle runs of light rail extending before and after game events, the propensity to visit the West Side due to transit convenience would lick the after work, weekend, and evening tenure problems all along the Howard Street corridor. The technical aspects of reconstructing the light rail along Howard Street to accommodate intermingling shuttle service with service movements is unknown and beyond the scope of this feasibility study -- however, the consultants believe that vast numbers of sports patrons must be moved in a very short period of time and a traditional "rubber-tired" vehicle seems too limited in capacity to handle such an assignment. It would tend to discourage commingling attending a sporting event and enjoying West Side if they are uncomfortable with quickly reaching the stadia.

2. Prerequisites of Urban Shared-Use Kitchen

The second concept involves the development of a **"kitchen incubator."** The Shared-Use Kitchen being suggested for the Project must be a combination of a kitchen incubator capable of handling a varied number of users -- engaged in (1) producing USDA-approved specialty food products, drop-in and occasional users, churches, civic organizations, and regional caterers; and, (2) daily handling the UED-dependent restaurant investor/tenants of the North Howard Street complex. All commingled and all capable of accommodating small producers to companies producing a large amount of product. The Shared-Use kitchen in the Project must be oriented to handling five functional groupings, listed as follows:

Non-UED Related Users:

1. USDA-FDA-approved products for placement in food establishments and grocery operations
2. Regional caterers out-sourcing its product to off-site locations

UED-Related Restaurant Users:

3. Mobile/Stationary Cart Vendor(s)
4. Stationary Gallery Outlets with limited product flexibility
5. Storefront, standard restaurants with warming kitchens

Scheduled to operate 24 hours daily, this shared-use kitchen must be designed and located within the UED offering limited vehicle access, ability to move product throughout the entertainment district by cart or electrical vehicle, offering a kitchen that is architecturally open so large batches of product can be prepared, and offering enlarged storage and refrigeration capabilities. This latter space must be separate and divisible, and securable by independent, and non-related use groups.

The National Business Incubation Association (NBIA) describes business incubation as "a dynamic process of business enterprise development. Incubators nurture young firms, helping them to survive and grow during the start-up period when they are most vulnerable. Incubators provides hands-on management assistance, access to financing for food preparation supplies, access to either massive or sensitive equipment, flexible user fees, and expandable space to accommodate changing venues of the user operations -- all under one roof."

In addition to the benefit of professional guidance in food preparation that a shared-use kitchen offers is the impact the publicly available facility has on those operations within the UED itself. The outfitting of restaurants with independent and full kitchens can be modified and the normal capitalized costs of purchasing kitchen equipment and leasing square footage for food preparation can be significantly reduced. Operating expenses relative to gross food sales will be strongly impacted giving the new entrepreneur more rapid returns and less operating obligations. For the same sale volume, the standard operating expenses will be less and cash flow toward meeting lease and other obligations will be stronger.

The UED envisions three levels of operations within the entertainment district, from the simple, straight-forward vendor offering a most limited food menu in a mobile cart (kiosk), to a gallery unit, a specially designed booth arrangement with some heating and cooling capabilities set at fixed locations within the interior streetways, to a full-scale restaurant in a store-front, operating as any typical restaurant but with a limited "back-of-house" kitchen. In lieu of a full-service kitchen, this outlet will pre-prepare its food, and use its warming kitchens for finalizing the display and presentation of its product to its customers. These three levels of operations provide a neat match to the shared-use kitchen and allow upward mobility for an entrepreneur to shift from a kiosk to a gallery, and eventually to full-scale operations when their financing and skills are adequate to handle the increased obligations.

Incubators can nurture young firms, or new start-up ones, to survive and grow during the initial years when they are vulnerable to mismanagement, poor financing, and lack of adequate servicing facilities. The incubator concept is directed to handle these deficiencies and to assist a "best-of-kind" restaurant through the initial critical years by sharing office services, access to equipment, and reducing leased space needs. All of these services can be carefully set under one roof attached or closely detached to the public retailing space marketed to the customer.

Kitchen incubators need to be a collaborative effort in order to even dream of a success. Federal grants are certainly possible and have been made to other such operations nationally, particularly by the Department of Commerce's EDA. City, County and State need to be involved -- perhaps this is a perfect task for the Governor's Office of

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Minority Affairs to organize and hand off to the newly created Maryland Manufacturing Incubator located in Jessup, Maryland; or, perhaps, the specialization of this kitchen is such that the mission should be assigned to a single-purpose organization. A proper kitchen must be capable of receiving an FDA and USDA rating for its products, a frustrating but achievable task.

Planning and specialized surveys need to be performed and application for capitalization must be made, tied to specific features of leasing within the UEC -- all coordinated and tied to a singular effort for all possible stakeholders. Perhaps, US West Foundation's manual "Establishing a Shared-Use Commercial Kitchen" authored by Dr. Cameron Wold of the University of Colorado at Denver would be a good source to turn to for professional assistance.

3. Need for Unique Physical Improvements

The ability to create a recognizable and definable identity, or sense of place, will be one of the keys to the success of this urban entertainment project. In creating this identity, projects often draw on their associations with recognized labels (e.g., "Beale Street," "French Quarter"), historical references, or major features.

In the current situation, the Study Area offers no such associations. In this case, the project must generate its own identity. In order to accomplish this, in addition to a unique and vibrant mix of uses, the project will need to rely on a "signature" physical feature. While this feature may contain various components, it is essential that it involves a central venue for multiple forms of active entertainment programming. Thus, in addition to the eating and drinking, music, sports, arts, and comedy-related uses mentioned above, the urban entertainment project would differentiate itself and assert its unique identity through a physical venue.

In physical terms, this venue need not be connected with the streets, but may actually center upon open areas that may be available -- or created -- to the rear of some of the existing buildings. This would enable the area to gain a central orientation (rather than an orientation limited to one block), as well as a pedestrian connection to all other parts of the four-block project area. In addition, the underutilized spaces in the rear of the buildings can provide flexible space for kiosks as well as uniquely designed vendor stalls or booths.

While design alternatives for a suitable venue will be presented subsequently, the following presents some examples of the types of entertainment programs -- in addition to the uses mentioned previously -- that a suitable multi-purpose venue should be able to accommodate:

- Dance Area: The existing nearby dance clubs cater to a limited range of musical tastes. Dance venues for Cajun, Swing, Salsa, and other specialized musical niches attract large crowds from remote locations. The venue would provide a high profile location for festivals; nearby eating and drinking establishments would benefit from expenditures made prior to or after dances.
- Cooking Demonstrations/Shows: While live performance venues are most often reserved for musical, dance and other such types of performances, cooking shows and demonstrations have been increasingly popular -- as reflected in the celebrity status of

chefs as well as the number of culinary publications -- in recent years. A semi-enclosed venue for such shows could be combined with a restaurant district and would provide excellent opportunities for local chefs (as well as nationally prestigious chefs) and kitchen incubator users to market their products and services. As once stated, Blues and great food do go hand in hand. It is no coincidence that the towns in which Blues has flourished are often the same places known for prime and varied cooking.

- Outdoor Movies /Production: Another unique opportunity for this semi-enclosed venue would involve screenings of outdoor movies. This type of presentation could take on a variety of different formats. "Picnic blanket" seating could be combined with a close-in seating area; audio could be delivered over radio waves, with public speaker systems designed to reach a limited area. Screening areas could be temporary or permanent, and could easily make use of the walls of existing buildings. Urban outdoor movie venues in other parts of the country have focused on older, classic films and other family-oriented movies. Other exciting aspects are to seek out TV production studio/restaurant highlighting cooking shows, live studio audience and music performance.
- An example is Emeril Lagasse who believes that the venue is really new for people at this time, and believes that food and music definitely go together. In 1990, he opened a production/restaurant that "combines blues and food that make people feel good". Another operation was opened in 1992 in a converted warehouse in New Orleans in the French Quarter, followed by two modified restaurants in Las Vegas called Emeril's New Orleans Fish House in the MGM Grand Hotel, and Delmonico Steakhouse in the Venetian Resort. The same creativity is called for in the North Howard Street UED.

4. Possible Uses and Alternative for the North Howard Entertainment Complex

The following square footage and use characteristics are offered as marketable illustrations to begin considering layout alternatives. The following table sets forth a range of use for each functional use characteristic thought marketable in the proposed UED development.

	Minimum Range Suggested Square Footage/Use	Maximum Range Suggested Square Footage/Use
1. "Best-of-Kind " Restaurant and Retail	25,000	42,000
2. Commercial Shared-Use Kitchen	22,000	28,000
3. Sports-Themed Facilities	35,000	65,000
4. Gospel, Jazz, Blues Entertainment	23,000	36,000
5. Dance/Comedy Clubs	10,000	15,000
6. Vendors, Mobile Kiosks, Galleries	13,000	28,000
7. Apts, Manor, Town Units (100-200 Units)	111,000	220,000
8. Signature Public Entertainment	n/a	n/a
GRAND TOTAL	239,000	434,000

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As stated above, the current building usage reflects a density of about a floor area ratio (FAR) of 1.4 or 624,000 square feet. This UED concept, as outlined above, is tied to a heavy orientation to internalizing and outreaching public entertainment spaces likely to induce a significant reduction in existing square footage of actual usage (excluding parking garages). There is a compelling need to open up interior alleyway frontage so a meaningful, more inclusive environment can be formed at the street level. The concept of a "trinity" of usage encourages setting a reasonable minimum use range to be provided through adaptive reuse and new construction.

The consultants envision a UED formed around these eight (8) building forms that can function together and adequately create a meaningful and extended street life, yet form a rather unique, upper-level living environment. The suggestion for 239,000 rental square feet of space (plus significant outdoor programming space) would yield a FAR of about .53 square feet. This represents a reduction in square footage yield of about .87 FAR. The maximum range of 434,000 square feet of space, distributed functionally above, represents a .97 FAR, or nearly .43 reduction in square footage yield in building area at the subject "place".

The initial reaction to lowering the FAR and seeking less concentration of the current use was somewhat of a shock to the consulting team initially. However, once one reflects on the desire to limit storage and marginal "back-of-the-house" space, and to duplicate yields by verticality then the reduction seems more acceptable. The market for housing, if properly designed and offered, is limited by site concerns and not market. So, the program is free to increase density (residential units) in this particular form as judgment dictates without concerns untold about absorption limitations.

The concept is to tap into the attractiveness of some existing structures for adaptive residential reuse on their upper floors, tied to new construction, and capitalizing on the topographic site features to create a cloistered, protected upper living environment. Use of the roof levels for protected outdoor living could be formed in an exciting manner to be most conducive to younger married couples, singles, and maturing individuals/couples.

Also, the Task Force needs to understand that the above FAR figures envision the need for at least several parking garages to fully handle current requirements being dislocated, and the needs of the adaptive and new uses. To obtain workable "footpads" for new garages would foster some additional structural dislocation as several of the current garages are dysfunctional due to condition or size/layout. It is estimated that the current inventory of existing surface parking lots and garages, though inadequate, contain about 270 spaces.

The range of reuse parking being proposed is as follows:

	Range of Spaces Required	
	<u>Spaces</u>	<u>Square Footage</u>
Replacement Parking	270	91,800
Use #1 through #6	1,020 - 1,530	346,800 - 520,200
Apts, Manor, Town Homes	120 - 240	40,800 - 81,600
Public Entertainment	100	34,000
Suggested Total	1,510 - 2,140	513,400 - 727,600

It is difficult to measure the actual need for parking due to the existence of mass transit at the "place" and the presence of light rail along Howard Street. Providing more than a 60 percent credit for these people movers over standardized suburban ratios (5 to 1) seems reasonable. However, the need for parking being reflected at a 2 to 1 ratio, either underground or aboveground, could be further reduced if light rail installed a functional shuttle to the stadia, and provided an "on-site" transit station.

It is suggested that the alleyways, providing interior access from all four cardinal points, is a fine feature of the site to be seized upon. Internal service must be carefully considered, particularly for the suggested commercial shared-use kitchen since about 60 percent of these envisioned users might have little in common with the actual UED, being off-site caterers and product producers who process a given introductory brand under FDA and USDA approvals for distribution.

VI. CONCEPTUAL SITE PLANNING ALTERNATIVES

A. INITIAL RANGE OF SITE PLAN ALTERNATIVES

All of the concept plans discussed, below, assume certain constraints within or adjacent to the Study Area that will have to be recognized and incorporated into any thinking when developing a workable master plan for the targeted revitalization area. The constraints include but are not limited to the following:

1. Presume that the Mulberry Court (residential/retail development) will remain and become an integral part of the proposed entertainment district and its renovation. Further, that BDC's recently selected mixed-use residential Redeveloper in Block One will develop the Howard Street and Franklin frontage in a manner physically and functionally compatible to the balance of the UED endeavor.
2. The parking garage in Block 3, which serves the State Office Building located south of Block 3, will be preserved and the state usage will remain.
3. The community's concern with preservation of historic architecture, storefronts and building ornaments.

4. Howard Street will most likely be the main civic spine linking the multiple development projects being tested for the West Side of downtown Baltimore.

5. The traffic patterns, especially the Howard Street and Mulberry and Franklin Street one-way pair, will not be altered or modified.

6. The Light Rail along Howard Street should be viewed as a permanent installation.

a. Concept Plan One: *The "Howard Street Plan"*.

The two following illustrations reflect a plan that looks at the "historic precedent" where Howard Street was the main retail street in Baltimore. Capitalizing on the existing storefront architecture and streetscape improvements, this Plan suggests creating the retail/entertainment program along both sides of Howard Street. The concept proposes to utilize all floors for retail/entertainment uses with the outer block areas along Eutaw Street and Park Avenue being used for parking structures, service/commercial and residential uses.

Principal elements of this alternative can be summarized as follows:

- Utilize Howard Street as a "Main Street" concept to focus on pedestrian scale retailing/entertainment district programming
- Capture and market the historical significance of Howard Street for its name recognition and address.
- Integrate the Light Rail Line with a new stop as part of the pedestrian Howard Street environment, working to overcome the spacing and interruption of the rail between the two store frontages along Howard Street.
- Ensure a direct link to Camden Yards ballparks with capacity and availability at the North Howard Street location during times prior and after scheduled games.
- The Eutaw and Park Avenue frontage of Blocks One and Four would contain residential in-fill housing and possible commercial/service uses on the ground floors.
- Blocks One, Two, and Four would contain a new parking structure to serve the four-block area and existing parking structure in Block Three would continue to serve the State Offices located in the block immediately south of Block Three.

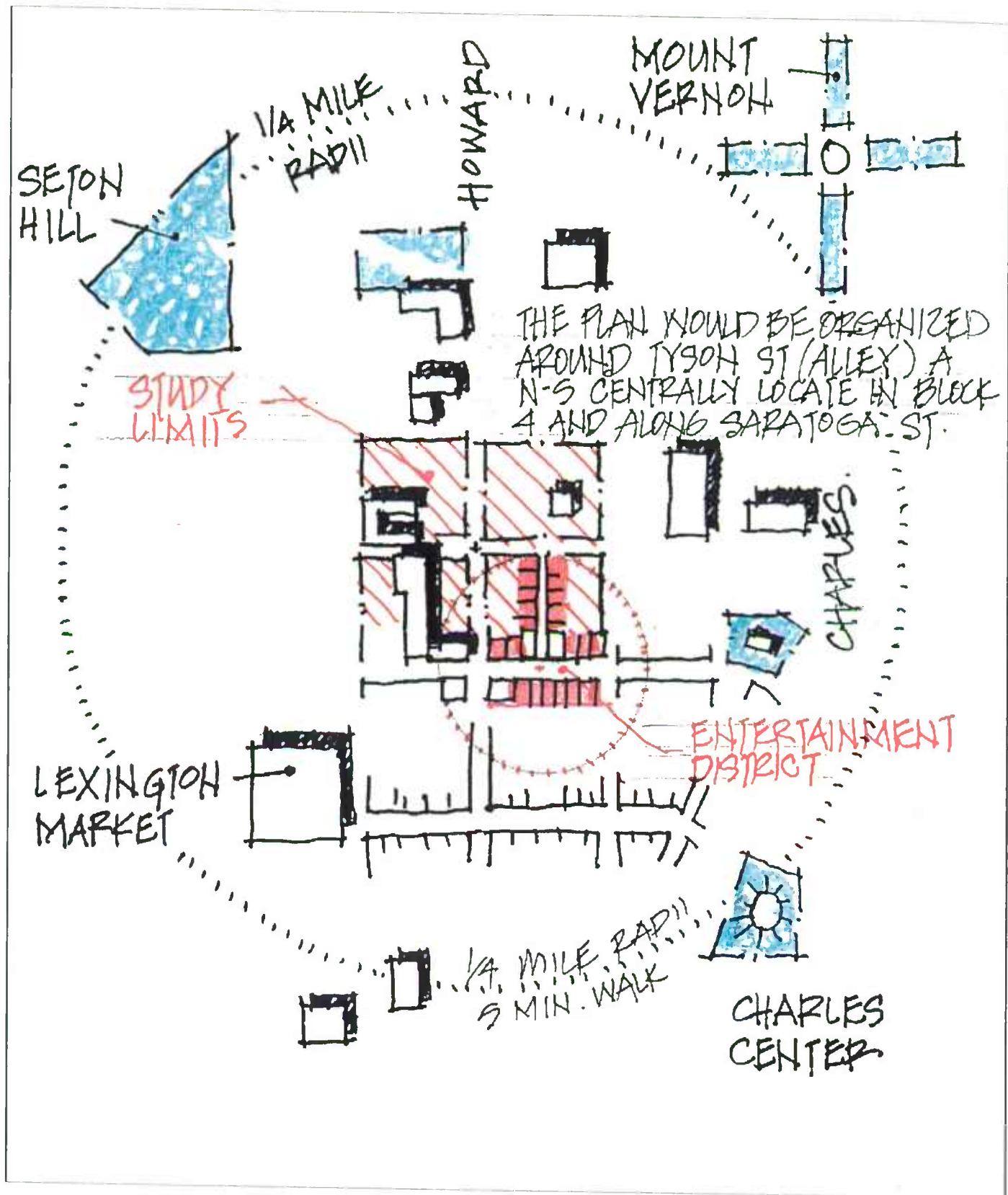
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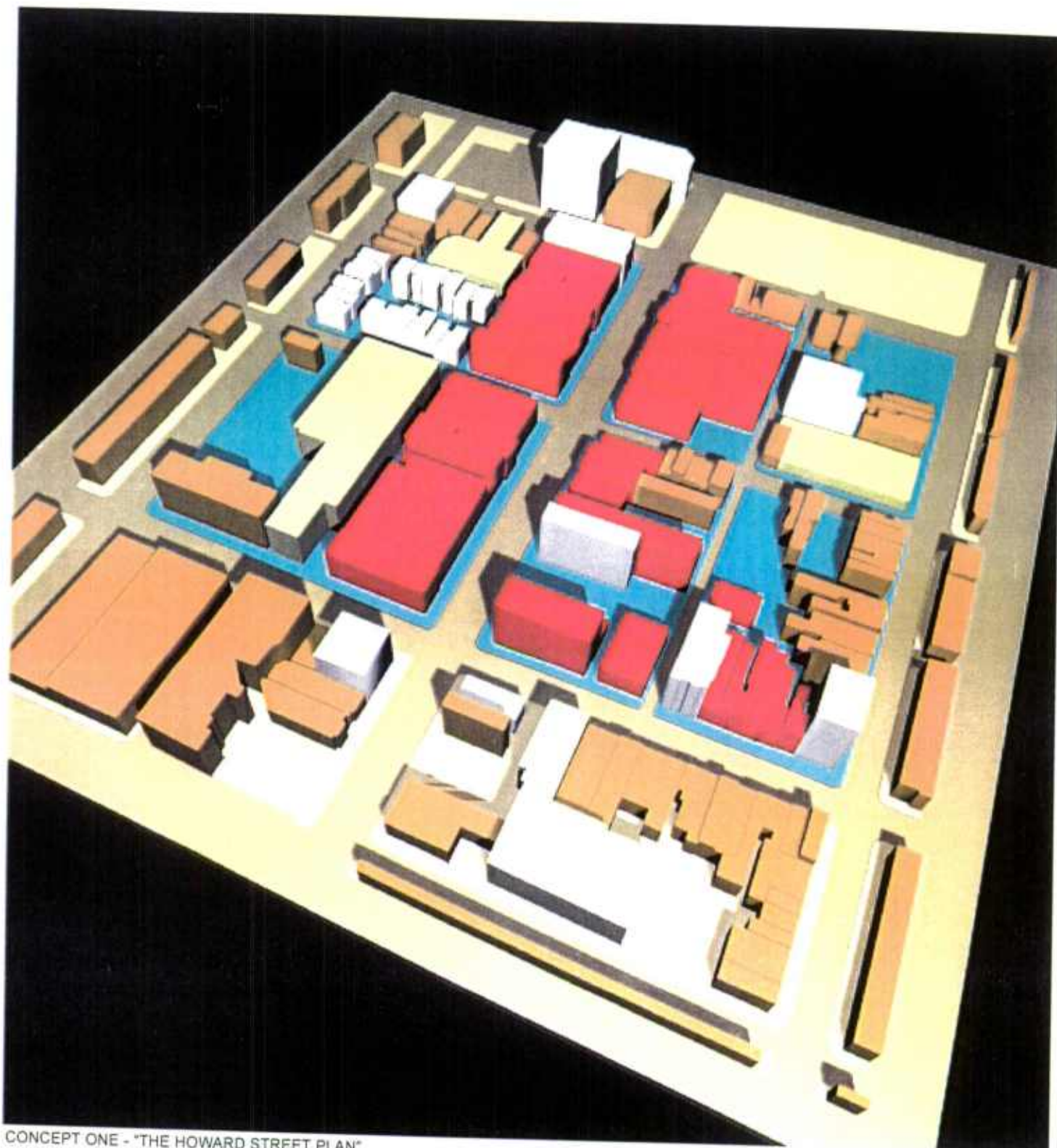


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CONCEPT ONE - "THE HOWARD STREET PLAN"

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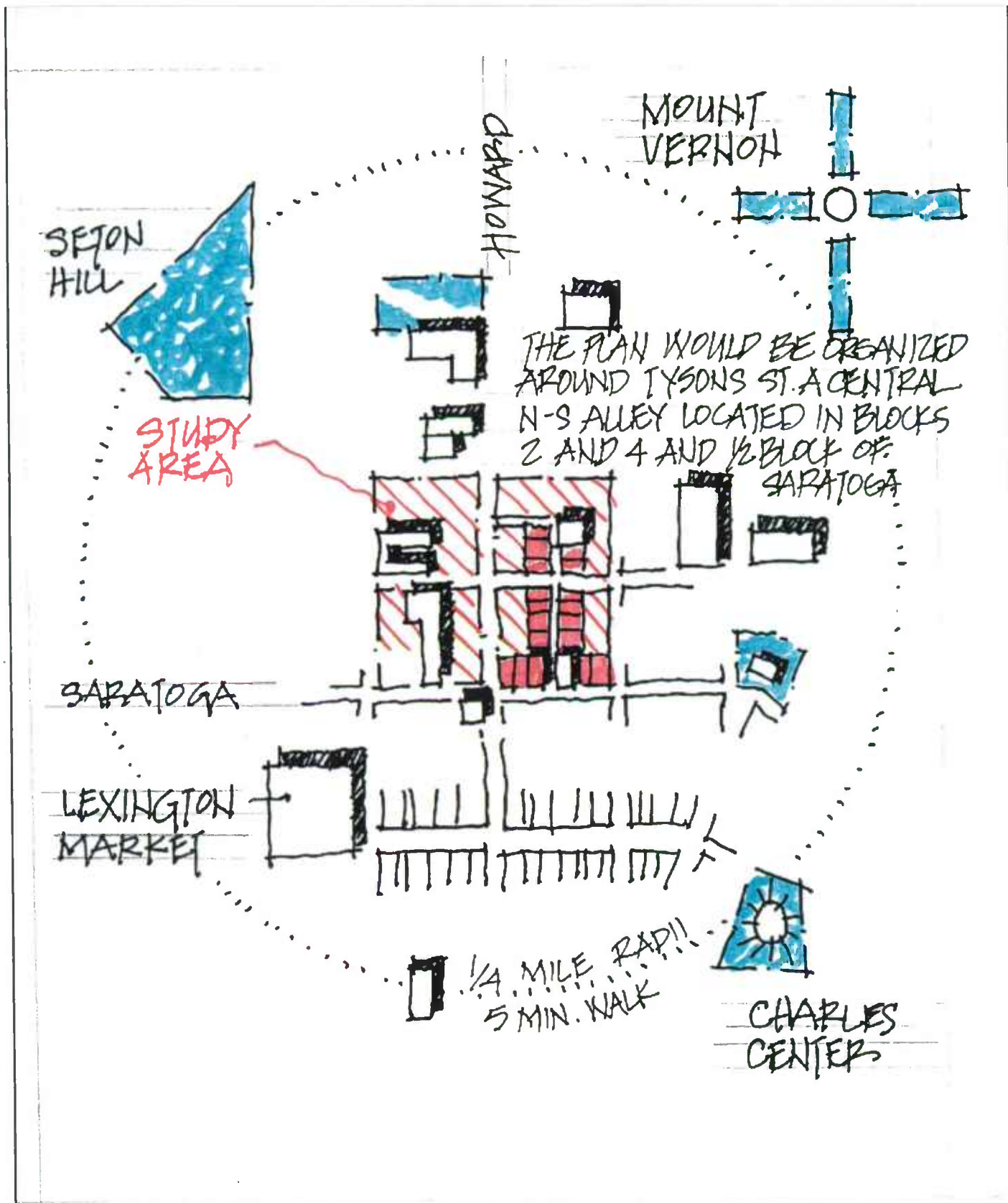
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b. Concept Plan Two: The "Blues Alley" Plan.

In an effort to create a contained pedestrian environment, the existing alley (north south) in Block Two and Block Four will become the main organizing element. Blocks Two and Four are the most unencumbered (no existing uses to remain). The entrance for the retail/entertainment district would be off Saratoga Street and framed by two very attractive historical buildings. The alley, approximately 20 feet wide, would be framed by new storefronts with retail/entertainment uses, intermittent small parks/plaza spaces. The alley would be anchored by major uses to locate in the now vacant utility building in Block Two (telephone exchange building) and development along Saratoga Street in Block Four.

Important key plan elements of this alternative can be summarized as follows:

- Intimate pedestrian scale public realm (alley and public spaces) contained with architecture and entertainment uses. Early phases of development would be separate from the surrounding now dormant real estate. As the West Side is redeveloped, linkages would be strengthened with surrounding development and the plan would become more extroverted and embrace Howard Street corridor as an integral part of the entertainment district.
- In the first phases the alley would orient toward Howard Street, which presently has lower traffic levels, an attractive pedestrian scale street front setting and several attractive historical buildings.
- Each of the four blocks would contain a new parking structure to serve the four-block area and Block Three would continue to serve the parking requirements for the State Offices in the next block south.
- Block One and Block Three would be utilized for in-fill housing with possible ground level commercial uses.
- The plan would provide a minimum of two larger parks/plaza spaces and several smaller pocket park spaces for pedestrians, vendors, and storefronts to utilize.
- The linkage between the north and south blocks will have to occur at a second level, which would bridge over Mulberry Street. A mid-block at grade crossing with the existing traffic volumes would be difficult.
- Additional alleys would link the main alley with Howard Street to the west and Park Street to the east.



CONCEPT TWO - BLOCKS 2 & 4 WITH ALLEY AS SPINE "BLUES ALLEY"

North Howard Street African-American Entertainment District

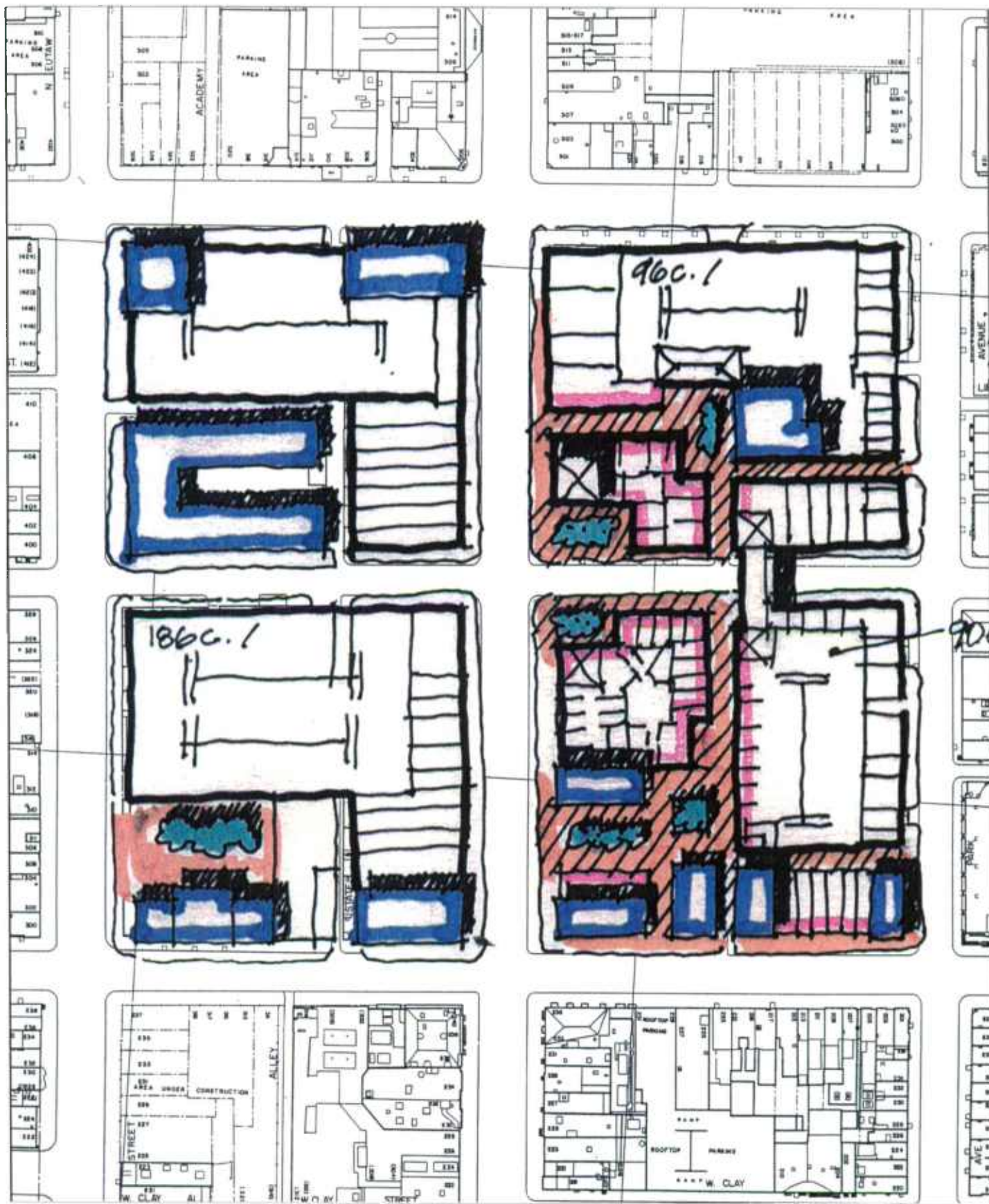
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SKETCH OF CONCEPT TWO "BLUES ALLEY"

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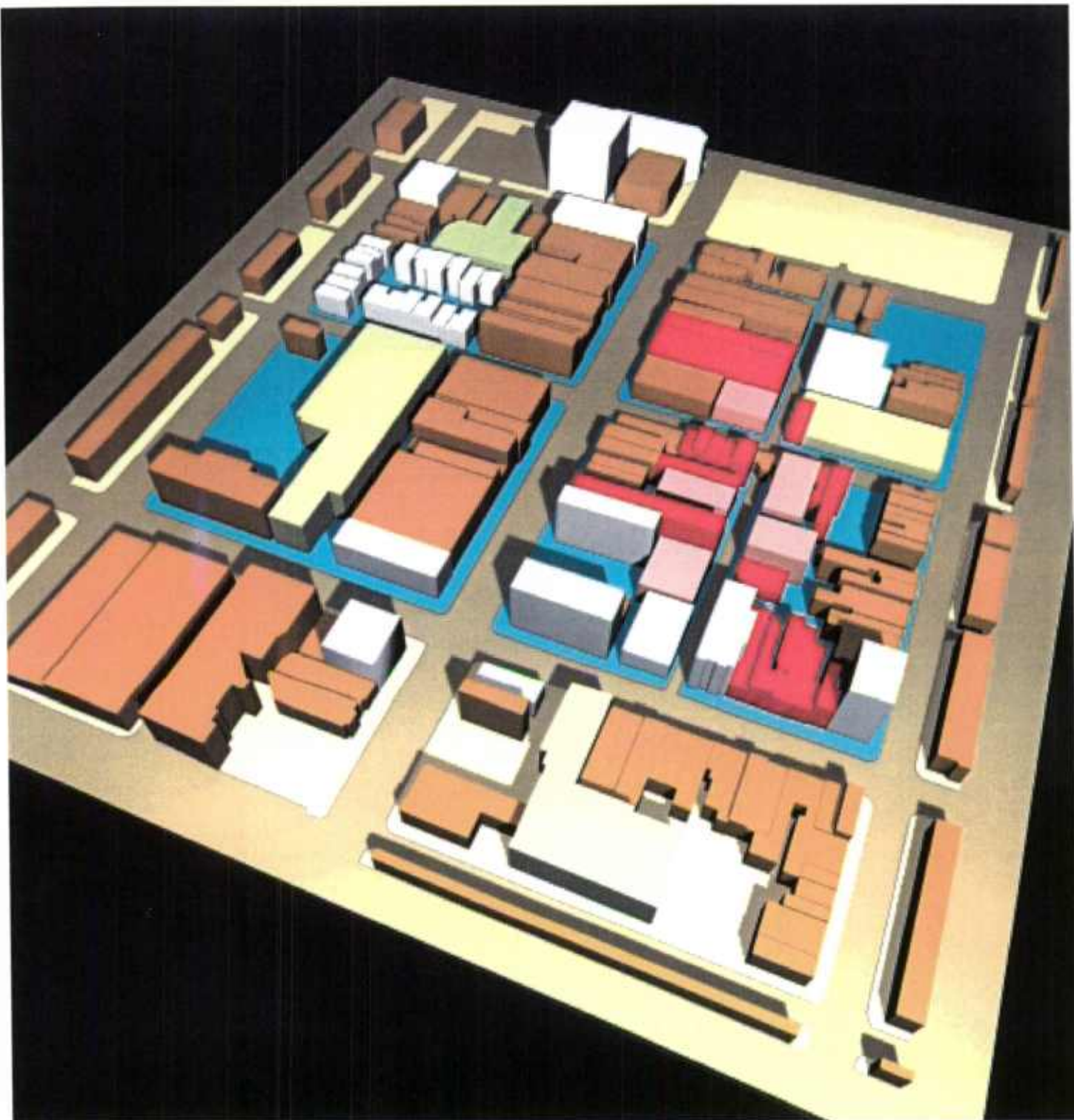
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CONCEPT TWO - "BLUES ALLEY PLAN"

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VIEW OF 224 SARATOGA NEXT TO PROPOSED "BLUES ALLEY" SPINE

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UTILITY BUILDING AND PROPOSED "BLUES ALLEY" SPINE IN BLOCK 2

North Howard Street *African-American Entertainment District*

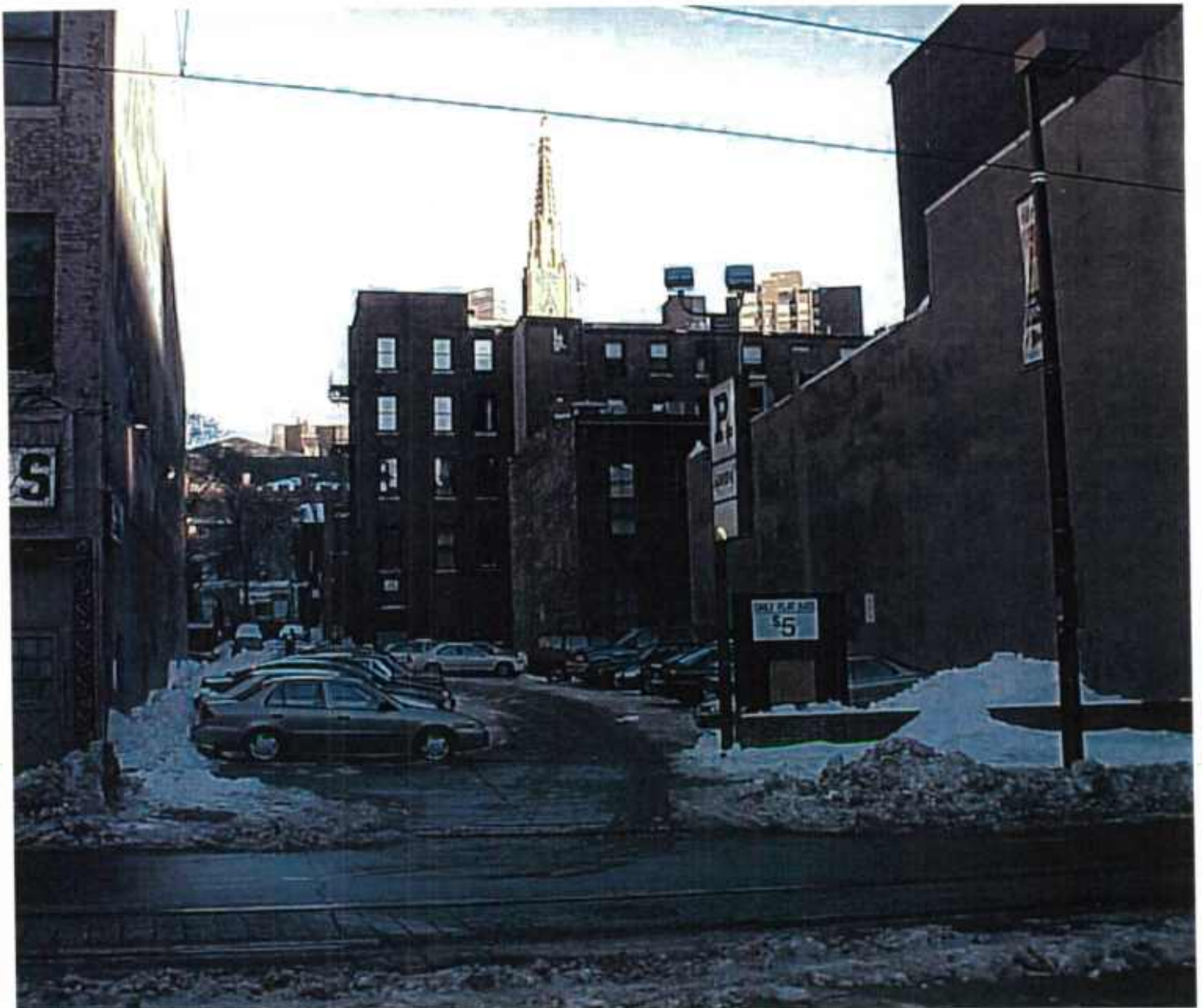
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VIEW OF SURFACE PARKING FROM HOWARD STREET BLOCK 4

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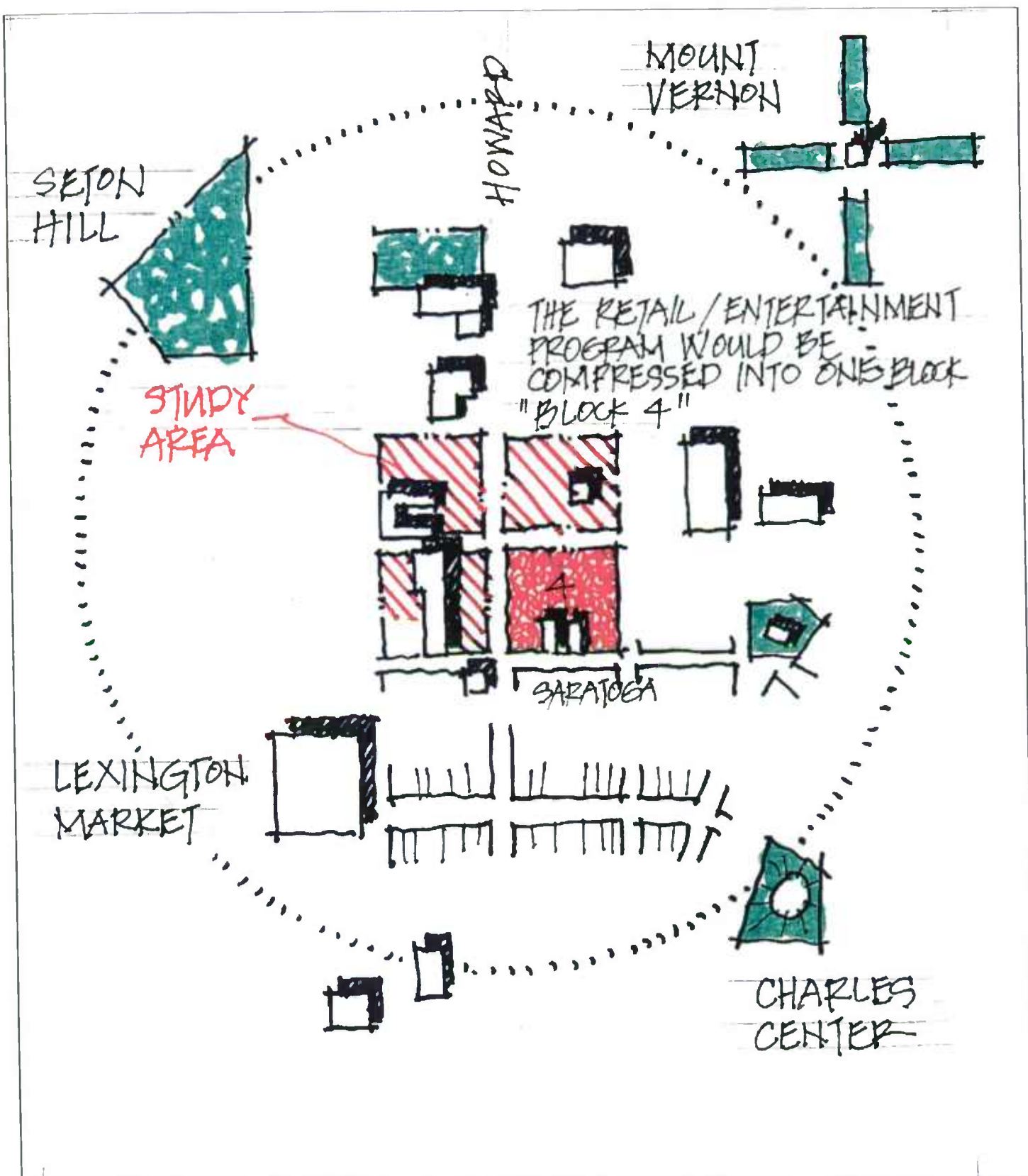
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c. Concept Plan Three: "The Big Box".

This plan alternative would locate the full retail/entertainment program in Block Four. Parking for the entertainment complex would be situated in a garage in Block Two. While the exterior of Block Four would continue to be storefront development preserving much of the historic facades, the interior would be gutted and renovated as an environmentally controlled architectural space. A critical mass of retail and entertainment uses would be developed within two or three stories with room for a variety of public realm spaces and linkages. The remaining blocks would contain parking structures and residential with ground floor commercial/service uses.

Critical elements contained in this alternative consist of the following:

- The retail/entertainment program would be contained within a single block, Block Four.
- Parking for the retail/entertainment center would be contained in a single garage in Block Two. The garage would be faced with shallow development, approximately 35 feet deep including corridor. Uses for this space would be housing or service uses.
- In addition to sidewalks at intersections, pedestrian access between the entertainment complex and the parking garage would be provided via a bridge over Mulberry Street.
- Blocks One, Two and Three would contain residential units and parking.
- Historic facades and portions of significant buildings would be preserved but much of Block Four would be redeveloped.



CONCEPT THREE - BLOCK 4 AS "ENTERTAINMENT BLOCK"

North Howard Street African-American Entertainment District

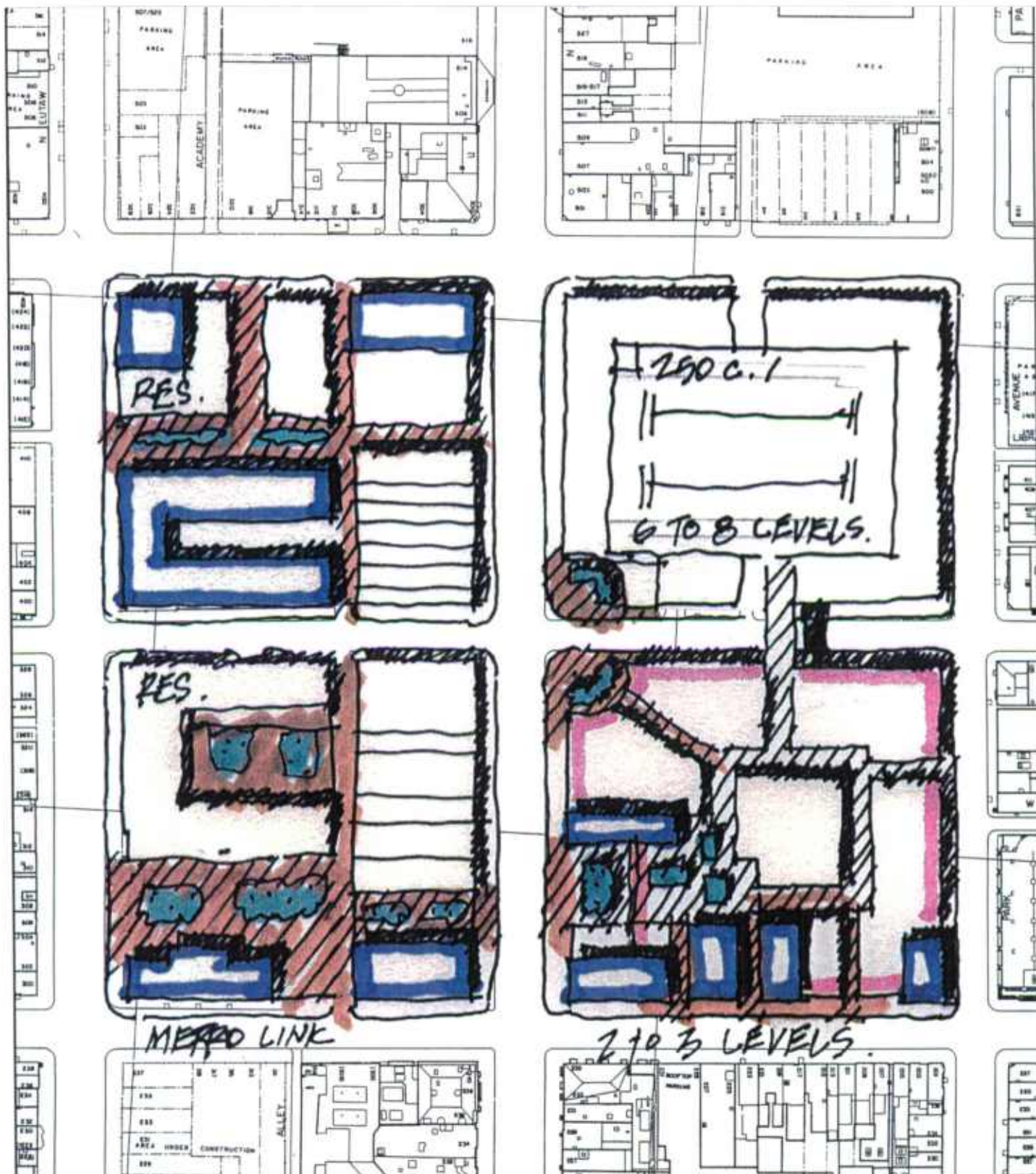
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SKETCH LAYOUT OF CONCEPT THREE "ENTERTAINMENT BLOCK"

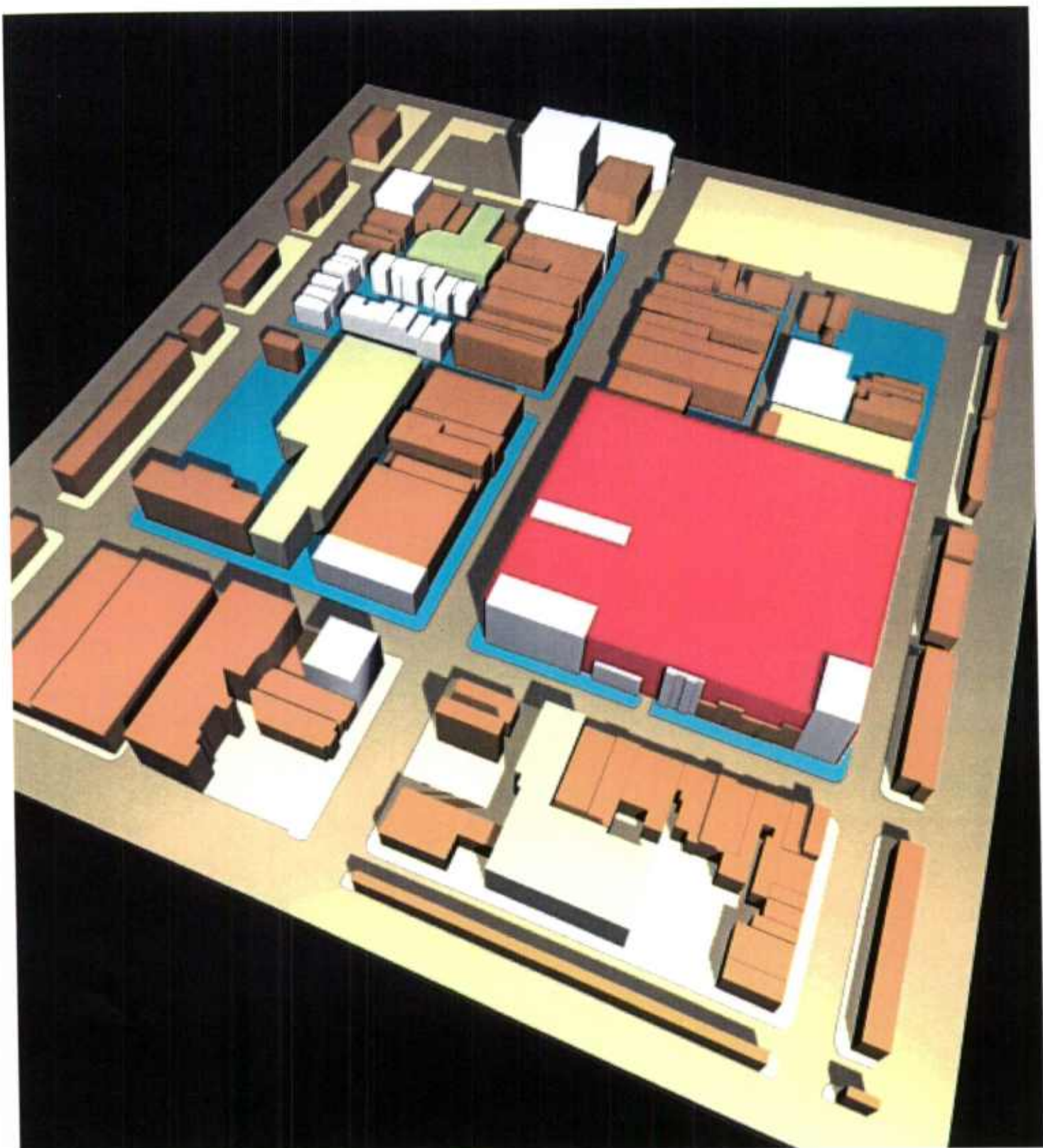
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CONCEPT THREE - "ENTERTAINMENT BLOCK"

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d. Concept Plan Four: "Scattered Development Alternative"

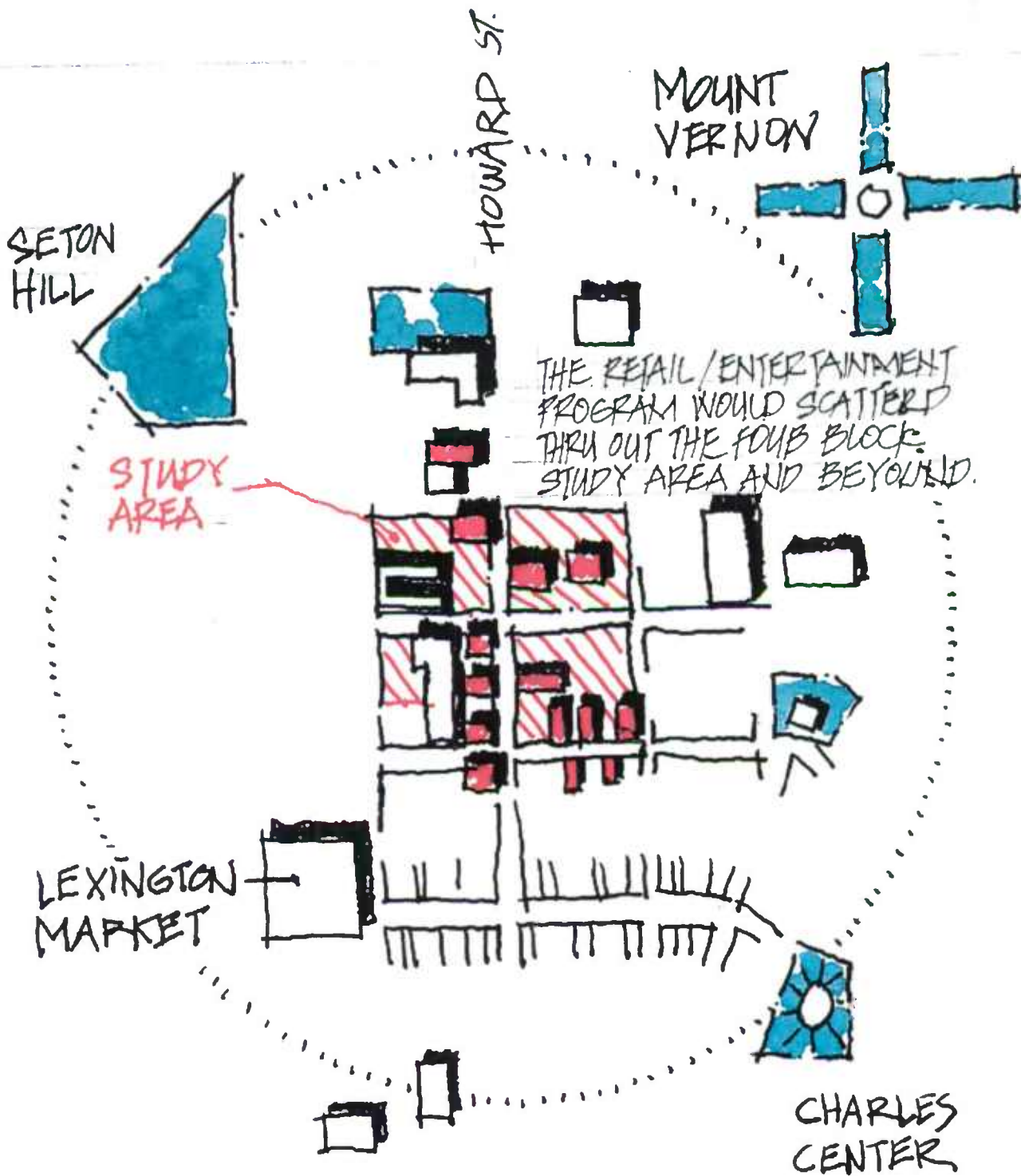
Scattered and situated within and adjacent to the four-block Study Area are several buildings that are substantial in size and either historic or have a significant appearance and presence in this general location. This concept plan is to step out of the restriction of our four-block area, and to seize upon the architectural strength created by these buildings to renovate them and reuse them to create a retail/entertainment district through regeneration. This regeneration would involve the icon building such as the Mayfair Theater, and others as major place makers. The four-block area would contain a mix of housing and service uses common to any economically viable neighborhood.

Important conclusions within this concept plan are the following:

- Utilize existing buildings, which have the square footage and architectural presence to house and present a UED program.
- This concept would look to the area immediately adjacent to the four-block Study Area for buildings of significant stature to accommodate the proposed retail/entertainment program.
- The remaining real estate within the four blocks would contain a mixed-use residential community and commercial/service area uses.
- Parking structures would be located within the four blocks to serve all the proposed uses.

B. EVALUATION/OBSERVATION CRITERIA

Following the presentation of the four conceptual plan alternatives to the Task Force and its executive committee, the consultants focused on a series of development constraints and issues inherent within the alternatives. The following is a list of the observations of the Task Force, which was used to evaluate the four concepts. Implications became clear that in a design sense the four alternatives pointed toward defining a fifth conceptual plan capable of handling the bulk of the stated concerns. These observations are listed as follows:



CONCEPT FOUR - ENTERTAINMENT DISTRICT AS "SCATTERED BUILDINGS"

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SKETCH LAYOUT OF CONCEPT FOUR "SCATTERED BUILDINGS"

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VIEW OF MAYFAIR THEATRE AT NORTH END OF HOWARD STREET

North Howard Street *African-American Entertainment District*

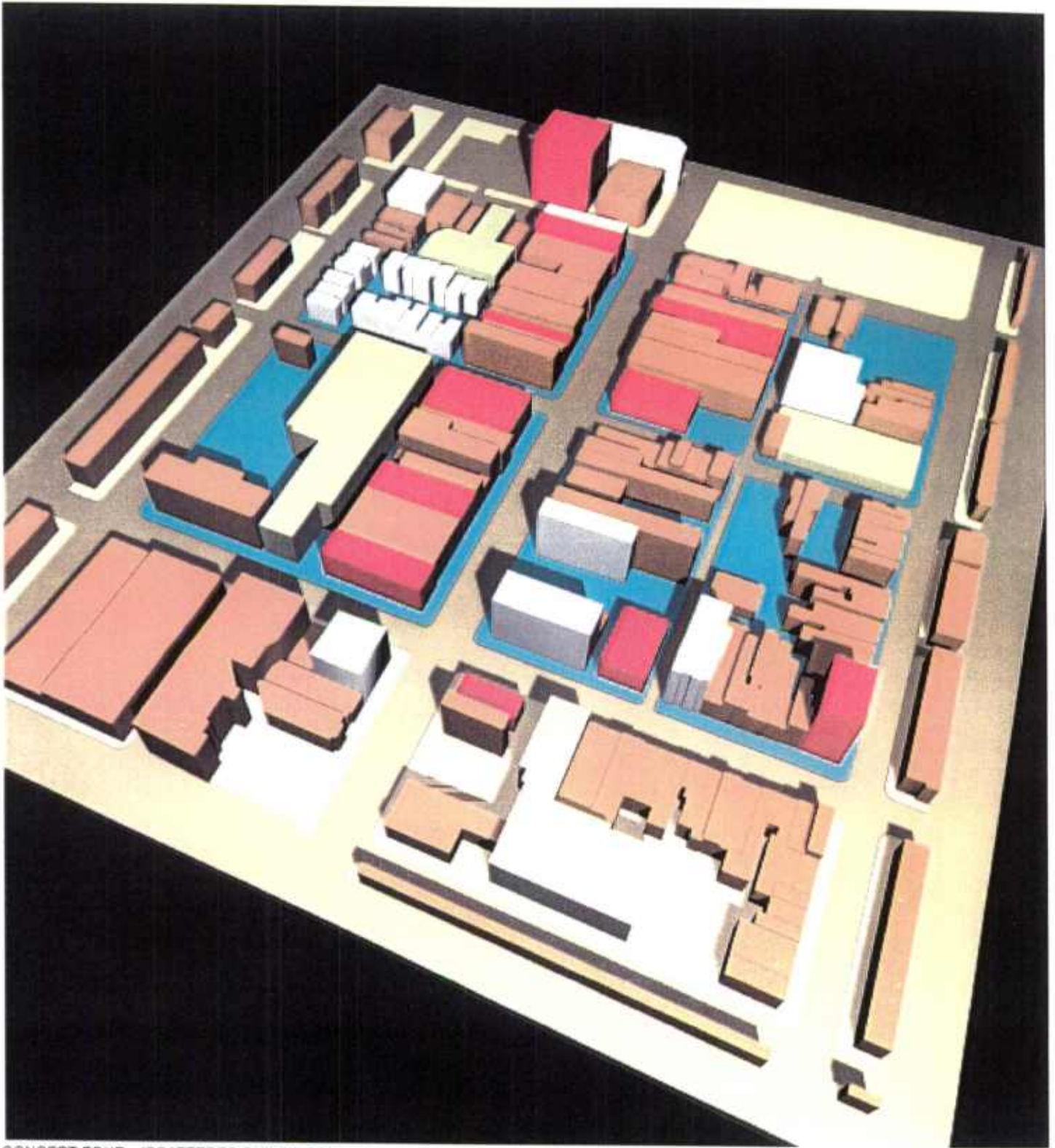
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CONCEPT FOUR - "SCATTERED BUILDINGS"

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VIEW OF 238 HOWARD - ONE OF SEVERAL PROMINENT BUILDINGS ALONG AND NEAR HOWARD STREET

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- Rail Line -- The rail line and heavy rail equipment along Howard Street are a deterrent to any proposed retail/ entertainment focusing along Howard Street. The rail line perceptually divides Howard Street into halves.
- Howard Street -- The lack of vehicular traffic (activity and access) and the lack of on-street parking (reduces scale of the street and buffers pedestrian along sidewalks), thereby challenging Howard Street's ability to become a "main street" environment.
- Linkages -- Any development especially retail/entertainment uses will require strong linkages to other existing development and attractions.
- Charles Street -- The strongest and closest compatible development districts occur along Charles Street. Our proposed retail/entertainment district reflects a natural sense to want to move eastward and link with Charles Street.
- Residential District -- The broader West Side concept must focus on creating a critical mass of residential comparable to Washington's Adams Morgan District, and our four blocks and their building characteristics tend to offer attractive features that could be capitalized without undue dislocation of the UED.
- Prime Location -- Saratoga Street, especially from Howard to Park Street, represents the best pedestrian scale storefront environment on a low traffic street, which links to Charles Street.
- Project Limits -- Street side development will require controlling both sides of Saratoga Street and require extending the project boundaries.
- Alley Development -- The concept of development within block interiors along alley(s) is a strong concept and should link with Saratoga Street and occur within the blocks east of Howard Street.
- Blues Alley -- Will be one component of a multiple program venue dealing with Black-sponsored entertainment. Successful clubs tend to be small and are difficult to maintain without front-ended assistance.
- Terminus -- Howard Street needs a strong icon element (Washington Monument), architecture element (Bromo Seltzer Tower), civic space (Mount Vernon) to bring focus to the proposed project and to create an address for the entire "West Side" revitalization.

Distillation of the above thoughts and hours of discussion within the RTKL/ZHA Team and the client resulted in the forging of a fifth conceptual plan that seemingly handled many of the stated concerns. It is this plan document that resulted in being adopted and declared as the Preferred Plan for the African-American Entertainment District (UED).

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C. SEEKING A FIFTH AND PREFERRED CONCEPTUAL PLAN

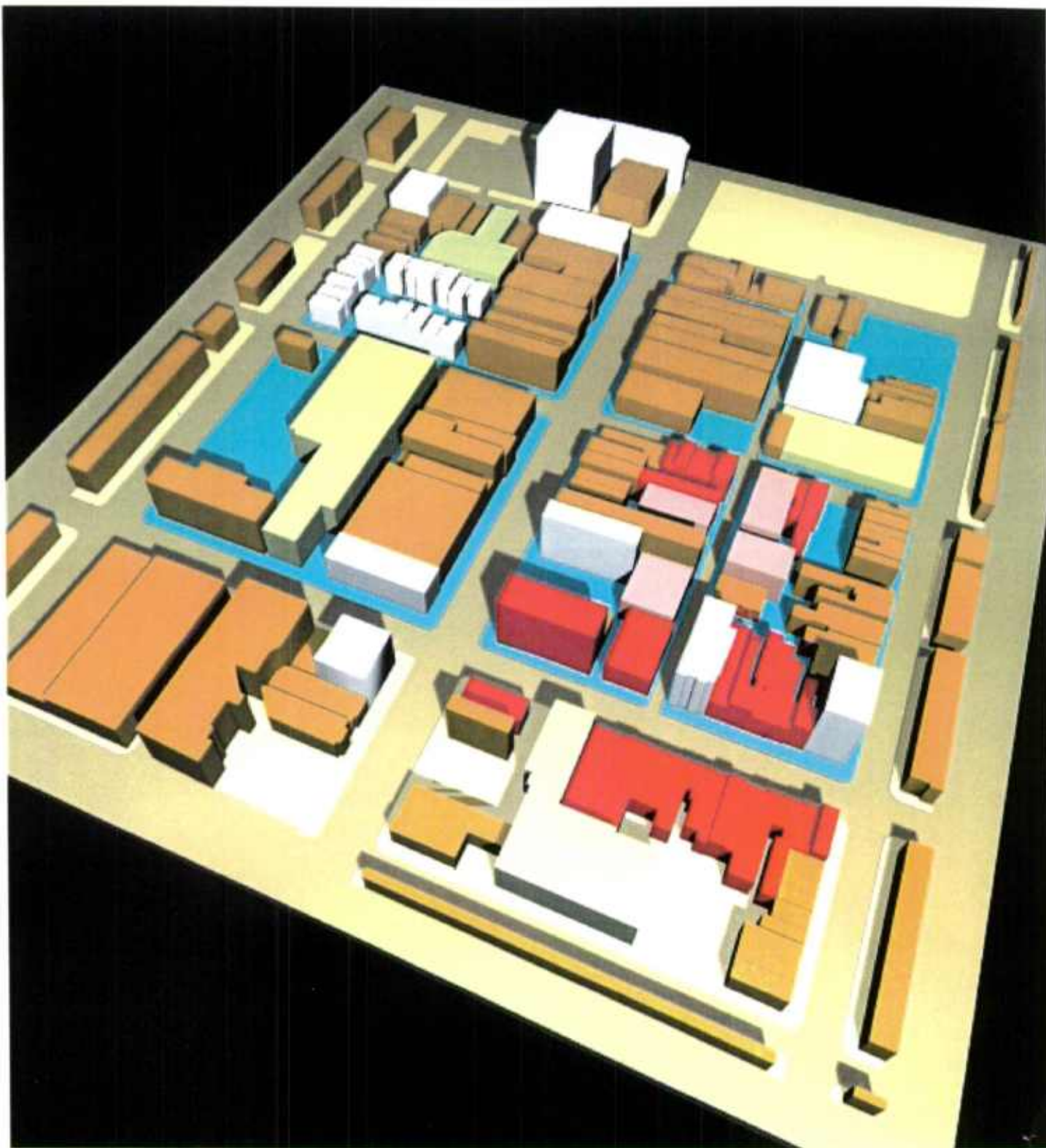
This plan would locate the full retail/entertainment program in Block Four and expand outside the initial Study Area to include the half-block (Block Five) along Saratoga, and directly south of Block Four. As shown on the following illustration, the exterior of Block Four would continue to be storefront development preserving much of the historic facades; the interior would be gutted and redeveloped as an environmentally controlled architectural space. A critical mass of retail and entertainment uses would be developed within two to three stories with open spaces for a variety of public realm spaces and linkages.

The remainder of the Study Area (Blocks One, Two and Three) will be primarily residential development, a mix of Loft Conversions of existing commercial buildings and new infill housing with ground floor retailing as appropriate.

Parking for the Entertainment Center and portions of the residential development is located in two garages within the interiors of Blocks Two and Five. The plan recognizes Howard Street as the major north-south civic street serving the West Side District. The plan would, in the early stages of development, focus on Saratoga as its main street entrance into the Entertainment Center. Later phases of plan expansion, as the West Side is redeveloped, would embrace the Howard Street corridor.

1. Rationale for Block Four as the Retail /Entertainment Center

- Need to aggregate the retail/entertainment program into one area to create the critical mass.
- Existing alleys could be utilized for theme and pedestrian linkages.
- There is adequate room in Block Four to contain the full entertainment program (two and three floors).
- Saratoga has a comfortable pedestrian scale and an adequate sidewalk dimension (building face to curb 12' to 15').
- Saratoga is not a through street. Traffic volume and speed is less than that found on Franklin and Mulberry.
- Park Street also has an attractive pedestrian scale and historic architecture.
- Saratoga Street contains a rich variety of historic buildings representing a broad range of architectural styles. Also there is a continuous urban/ building edge on both sides of the street.
- The Blocks east of Park Street have significant reinvestment.
- Within proximity to Lexington Street to the South and to Charles Street to the East.



CONCEPT FIVE - "SARATOGA MEETS BLUE ALLEY"

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2. Key Elements of the Plan

- The full Retail/Entertainment Program is contained in Block Four, which will allow easy pedestrian access without street interruptions. This aggregate of uses will help create the critical mass and vitality required for visitor attractions.
- One block of Saratoga Street (both sides) between Howard and Park will become the front door for the Entertainment Center in the early phases of development. As Howard Street and the West Side Development Program are implemented the Howard Street side will become a second major entrance for the proposed district.
- The opportunity to close the one-block portions of Saratoga Street for special events or possibly as a once-a-week activity.
- The two major historic buildings that flank Saratoga Street on the West Side of Howard Street would anchor the one-block district and create a strong presence on the Howard Street Corridor.
- Parking would be provided in Blocks Two and Five, directly north and south of the entertainment block.
- Blocks One, Two and Three would become higher density residential areas. Existing buildings would be renovated into loft residential units and new three- and four-story brick infill residential architecture would occupy now vacant lots and replace non-contributing buildings all to be designed to be compatible and harmonious with the historic Baltimore theme.
- Mulberry Court, a residential mixed-use development, will be preserved and become part of a larger residential neighborhood.
- A major aspect of the urban and architectural theme is to preserve a majority of the important historic buildings and street settings. The historic elements of what makes Baltimore unique are synonymous with the African-American Community's heritage.
- Storefront architecture in existing buildings to remain in all five blocks and would be preserved regardless of the proposed use.
- New development will be contained within the envelope of preserved buildings or housed in architecture, which is understated and harmonious with the preserved buildings.
- The street frontage and sidewalk environment will be a key aspect of both the commercial and residential development. Sidewalks will have special paving, street trees and landscaped planters, pedestrian scale lighting (12' to 15' poles), and benches and other furniture.
- Alleys will be an important aspect of the Entertainment Center (Block Four). Existing alleys will restore cobble stone surfaces and granite curbs. Wrought iron elements such as grates, grills, brackets and other hardware will be restored. New alleys and small courtyard spaces

will be created to bisect the block and provide additional storefront spaces within the block interior.

- Howard Street below Mulberry is a commercial street and the Entertainment center will be the terminus of the commercial corridor. Howard Street north of Mulberry will become mainly residential. The plan proposed to create a marker that formally identifies the termination of the commercial portion of Howard by transforming the street, the one-block portion of Howard above Mulberry, into a curb-to-curb lawn panel. The rail line would remain while vehicular traffic would be removed. This is a common device used along transit lines in Germany to distinguish a change in district boundaries.

3. Theme

The historic nature of the Study Area will be utilized and preserved as part of the African-American Entertainment District. The master plan proposes that, though the historic character of the Study Area is not an actual designated historic site for the Black community, it is characteristic of those parts of Baltimore that do qualify or are identified with African-American history.

The visual identity of the district would focus on the small- and medium-sized buildings, which are so typical of Baltimore. The row building, dating from the American Revolution, is normally masonry and typically two to three stories in height. These buildings are narrow and deep, extending to the property's rear and alley. The Study Area, especially Blocks Four and Five, has an extensive collection of row store fronts several dating from before the Civil War. These structures can be organized into distinct typologies as follows:

- Pre Civil War - Narrow (14' to 18') two-and-one-half-story structures with shed roofs and dormers.
- Late 19th Century - three-story buildings with wider fronts (18' to 26') and higher floor-to-ceiling heights (12' to 16').
- 20th Century Commercial Architecture - two to four stories in height, with wider storefronts (25' to 35') and high floor-to-ceiling heights (12' to 16') and full block depth buildings.

Along Saratoga are a couple of mid-rise buildings; examples of early office tower development. Work, entertainment, and spiritual activities historically occurred in similar buildings. These buildings will lend themselves to the entertainment program outlined in this study. The wide range of building shapes, sizes and architectural history will provide space for the variety of uses envisioned for the district. As in the past, this historic fabric of architecture would house, and be a backdrop for, today's retail entertainment activities.

The public realm of streets, alleys, small parks, and plazas will again be a center of community activity and an essential aspect of the neighborhood. Saratoga and Park Streets are very attractive pedestrian settings and Tyson Street (alley) and other existing and proposed east-west alleys will become more intimate settings, providing interior block linkages and frontage for additional retail storefronts. The district would be a 24-hour/7-day hub with activity and entertainment day and night and throughout the seasons.

Baltimore's design and fabric consists of brick, stone, wood, and wrought iron, and is sprinkled with signs, awnings, lights, color and expressions of art culture activity. After the occupants move into the buildings, the personal expression of each enterprise and business would be evident. The architecture would frame each individual storefront and interior. The public domain of streets, sidewalks, alleys, parks/plaza's would reflect the older Baltimore. Elements such as signs, show windows, and awnings would represent innovation and enterprise. New buildings will be treated as background buildings with innovative design, color and materials only occasionally peaking out between buildings or at corners.

4. The Retail/Entertainment Precinct

The Entertainment Precinct includes all of Block Four and the northern half of Block Five. The plan calls for Saratoga Street to be the "Main Street/Front Door" for the district, and Tyson Street, an existing north-south alley, a gateway and spine for Block Four, which will contain the majority of the entertainment venue. Block Four would have additional east-west alleys including the existing W. Pleasant Street to create linkages with Howard and Park Streets. The interior alleyways would provide additional storefront opportunities.

The vision for Block Four is to be a total pedestrian environment, which faces the framing streets and provides access to the block's interior at multiple locations through alleys and passageways. The visitor would move up and down to explore the multiple floors and move from historic structures to new buildings and back. There would be choices of entertainment and a variety of foods available and places to dine.

5. Key Elements of the Plan

- The plan calls for 220,800 SF of retail/entertainment uses, all within Block Four and buildings in Block Five facing onto Saratoga.
- The entertainment program, if fully utilized, would require two full floors plus an option for a few third floor uses in the street-side storefront buildings.
- The entertainment venue includes: restaurant/retail, a 22,000 square-foot shared kitchen, sports-themed pubs, Gospel/jazz/blues-themed clubs, dance/comedy clubs and galleries/vendors/kiosks.
- The shared kitchen will be in the block interior on the second floor with restaurants and retail on the ground floor and not encroach on the historic street front.
- The venue will be randomly mixed within the renovated storefronts along Saratoga, Howard and Park Streets except for the sports themed clubs (new buildings) located along Mulberry and Howard Streets. Some of the blues and jazz clubs, along with food and restaurants, will be within the block interior with access from the alleys.
- The entertainment precinct is contained and identifiable boundaries will facilitate managing and policing the development.

- Storefronts along Howard, Saratoga and Parks Streets would continue to have active retail/commercial uses addressing the street.

6. Mixed-Use Residential and Commercial

The Study Area Blocks One, Two, and Three propose residential development as the predominate use. The future vitality and reinvestment potential of the West Side will depend on receiving an infusion of higher density housing. Because of the historic Baltimore character we are recommending that the Howard Street frontage be preserved and converted into loft units. In those areas where building conditions are inappropriate for redevelopment, new infill apartments would be developed.

- Mulberry Court - The existing residential development with some ground floor retail located at the corner of Eutaw and Mulberry Streets will be preserved as an integral part of the Study Area redevelopment. The plan proposes to add additional housing of a similar scale to the north in Block One and south in Block Three. The Eutaw Street façade would have a majority of the block face comprised of three- and four-story residential units.
- Loft Conversions - The majority of commercial buildings along Howard Street in Blocks One, Two and Three are proposed to be rehabilitated as apartments. Because inefficient layout of the existing buildings, a figure of 1,200 square feet was used to determine the total number of units. In reality the proposed apartments will range from 700 to 950 square feet. The remainder of the 1,200 square feet will be absorbed in hallways and odd building space.

Because of its attractive historic character, the building at the corner of Eutaw and Franklin Streets is also to be preserved as 12 loft apartments. This building will visually anchor the new adjacent apartments proposed for Eutaw and Franklin.

There are six buildings in Block Four which are five stories and taller. The upper floors of these buildings have the option of being converted into loft space or being used for office space. If converted to residential the buildings would accommodate 54 loft apartments. The alternative would be 65,000 square feet of commercial office.

Sites for new apartments have been identified for infill residential in Blocks One, Two and Three. All of the residential development would be three and four stories in height. This would complement the scale and massing of Baltimore's traditional row housing. In Block One along Franklin Street the existing parking garage and several of the row buildings would be renovated and new residential infill would complete the block face.

Block Two is the location of one of the two parking garages to serve, in addition to residential development, the retail/entertainment development in Blocks Four and Five. Single-unit deep residential flats would wrap the garage and screen the structure from the street. The four-story apartment building would house 48 units, which would be accessed from a corridor between the units and

the garage. Additional single-unit-wide apartments with an interior courtyard are proposed for the corner facing Howard and Franklin Streets. This would also be a four-story development and contain 40 units for a total of 88 new apartments in Block Four.

A four-story apartment building, in Block Three, is proposed to replace four existing structures at the corner of Mulberry and Eutaw Streets. An interior courtyard would serve the proposed 48 units and separate the new parking addition to the existing garage, which serves the State Offices below Saratoga Street.

7. Pedestrian Realm

A critical aspect of the proposed master plan is the treatment and layout of the pedestrian realm. The sidewalks, streets, alleys, park and patio spaces all will need to have many amenities. While portions of these environments will likely fall under the design standards, which will apply to the whole West Side initiative, there should be opportunities to develop distinctive design treatments for the entertainment precinct that will reflect its special theme as a visitor's attraction.

- **Sidewalks and Streetscape Improvements** - The primary pedestrian routes are the side walks paralleling the streets. All sidewalks should have special paving, street trees, pedestrian scale lights (12' to 15' pole height), landscaped planters, possibly foundation planting for residential units, streetscape and furniture such as benches and trash baskets.
- **Courtyard and Patio Space** - The residential development will provide private courtyard space for use of the residents. Such space would include special paving, landscaping and lighting. These areas would be themed to continue some of the theme elements used in the sidewalk areas.
- **Howard Street Park/Lawn** - The master plan proposes to create a Park/Lawn in that portion of Howard Street between Mulberry and Franklin Streets. This would provide a terminus for the retail portion of the street to the south and the residential to the north. Vehicular traffic would not be allowed in this block although the rail line would remain. A simple lawn panel would extend from curb to curb and special landscape planting could provide color. The space would be for passive use by the community.
- **Intersections** - At the four intersections that define the entertainment block special paving designs and patterns would announce to the visitor they are approaching a unique area within the City of Baltimore.
- **Streets and Alleys** - Saratoga Street, as the project's "Main Street", requires a distinctive treatment to identify its special role as an entertainment district. Many of Baltimore's streets have a base of either brick or cobble paving. The plan proposes that this original paving be re-exposed by peeling and removing the existing bituminous paving. The same procedure should apply to the existing alleys that are incorporated into the entertainment block. Existing granite curbs should be preserved and stock piled granite curbs should replace concrete curbs.

8. Parking

The Study Area is a multi-modal transit site. Metro Subway and MTA Rail and the MARC lines to Washington are all within walking distance. There is bus service and much of a live, work-play environment envisioned for the West Side district. The parking ratios for the proposed development reflect this less-vehicle-dependent community. Residential development is calculated at 1.3 cars per unit; retail and entertainment is calculated at 3 cars per 1,000 square feet of floor area.

It is proposed that two new garages are to be shared between housing and entertainment. The east half of Block Two and the interior of Block Five were selected as convenient, relatively unencumbered locations for two parking garages. Both garage locations are visually screened from the streets with active uses. Both garages would have one basement level and 5.3 levels above grade.

- **Block One** - The existing parking garage accessed from Franklin Street will be renovated to serve the residential units (loft and new apartments) proposed for the northern half of Block One. There is also a potential (not illustrated in plan) for incorporating parking along the alley serving the loft conversions along Howard Street. This parking was not calculated within the parking tabulations.
- **Block Two** - The new garage (607 spaces) would serve both the entertainment center and the residential demands within the block. The garage would be accessed from the existing north-south alley from Franklin and Mulberry Streets. The proposed garage would be wrapped on three sides, those sides abutting streets; the fourth elevation facing onto the existing ally would be open to provide ventilation. The garage because it is contained by housing on three sides will require mechanical ventilation .
- **Block Three** - The existing mid-block garage (approximately 223 spaces) that serves the State Office Building in the next block south is to remain and additional parking added. The plan identifies 88 additional parking spaces that could be added to the southwest portion of the existing garage. The construction of this additional parking could be achieved without interruption to the current parking. This additional parking would serve the new apartments in Block Three facing onto Eutaw Street.
- **Block Five** - A second major garage (493 spaces) is identified within the block interior expanding (290 additional spaces) onto the existing garage. This garage would serve the entertainment center and development along Saratoga Street. The proposed garage would be open on three sides and not require mechanical ventilation. The structure would not be visible from any street. Access would be from the alley and a mid-block entrance along Saratoga Street.

All existing on-street parking would be preserved and included within the parking tabulation. This parking is an important aspect of maintaining a pedestrian-friendly sidewalk environment. The inactive cars create a buffer from moving traffic, an urban edge of sorts to contain the sidewalk (a form of alley).

9. Demolition

One over-arching goal of the master plan is to respect the historic nature of the district and preserve a major portion of the existing building stock in all five blocks. The buildings that have been selectively identified for demolition are the result of one or more of the following:

- Not a historically contributing building
- In poor repair and economically unrestorable
- Inappropriate size or configuration for redevelopment
- Isolated buildings not part of a larger historic setting
- Rear additions inadequate for redevelopment

Artifacts from older buildings should be stockpiled and reused where appropriate in renovation of buildings to remain and integrated into the new architecture being proposed. Other industrial elements that exist in the areas slated for removal should be gathered and reused. Manhole covers, iron grills and grates may become elements of the entertainment block.

The parking garage and adjoining row buildings, in Block One, is proposed to be renovated. The existing garage will be refurbished to serve the new infill residential development along Franklin Street. The corner building at Franklin and Eutaw is architecturally significant and to be renovated into loft apartments. The adjoining buildings on Franklin and Eutaw are not part of a larger historic setting and are inappropriate for redevelopment as residential and be replaced with new residential infill.

In Block Two, the parking garage adjacent to Mulberry is antiquated and an inappropriate street-front use. The east half of Block Two is located in the median of the Route 40 pair of traffic collectors, Franklin and Mulberry Streets, and not an appropriate location for the entertainment precinct. The east half block is, however, a good location for a new parking garage in the block interior and residential development facing the streets. The row buildings along Park and Franklin, as well as the interior telephone exchange building, are identified for removal. The buildings in the west half of Block Two and facing Franklin and Howard are marginal buildings and slated for demolition.

There are four small row buildings in Block Three at the corner of Mulberry and Eutaw that are isolated and not contributing to a larger setting that are identified for removal.

This block has been selected as the site of the entertainment precinct and will contain roughly 200,000 square feet of new and renovated retail development (Block Four). Portions of this program will require large areas of unencumbered building space. This has been located generally within the block interior but some of the existing buildings will need to be removed to accommodate this program. Two buildings on Howard Street and two row buildings on Mulberry that are not historic or contributing background buildings are identified to be removed. The remaining demolitions are rear additions in poor repair and inappropriate for redevelopment.

Block Five, as with Block Four, would become the entertainment precinct and require the removal of rear additions to accommodate a proposed parking garage. The master plan shows the

existing parking garage being renovated and expanded.

D. NEW INFILL DEVELOPMENT

The new architecture proposed for the Study Area was designed to complement and complete existing block facades. The residential infill in Blocks One and Three will reinforce the existing housing in Mulberry Court and the proposed loft conversions along Howard Street. These buildings would be three and four stories in height and complement the design, materials and color of Baltimore's historic vernacular.

Blocks Two and Five will contain parking garages located within their interiors. The garages will serve the entertainment precinct and portions of the proposed residential development. The residential development in the eastern half of Block Two will laminate and conceal the new parking garages. The buildings will be four stories tall and architecturally complement the buildings along Park Street. The residential units facing Franklin will be four stories and have an interior courtyard.

A majority of the Block Four facing buildings will be retained and renovated as part of the new entertainment precinct. The interior rear additions serving the row buildings along Park and Saratoga will be replaced with new development designed to house the restaurant and kitchen uses. New architecture is proposed for the corner of Mulberry and Eutaw and along the eastern portion of Mulberry. The corner building will be distinctive in scale and design required for anchoring the Howard and Mulberry Street Facades. A portion of Mulberry will have a new façade, which will complement the renovated row buildings along Park Street.

A new one-story market-type building is proposed along Howard Street flanked by new alleyways on either side. New shallow (25' deep) retail uses are shown on the south side of a new mid-block alley, which access the interior of Block Four.

E. DEVELOPMENT STRATEGY

Residential is and will likely continue to be a strong market opportunity. Housing could begin immediately with converted lofts and new apartments being developed simultaneously. Block One along Howard and Franklin Streets is presently being studied. This and similar residential development would, when combined with Phase One of the Entertainment Center, build on the development synergy along Howard Street to the south.

The location and layout of the proposed entertainment precinct allows for a logical strategy for implementation. Saratoga Street would be the front door for the first phase. It is contained, has significant ambiance opportunity, and is visually accessible to the general public. The shared kitchen and restaurant/retail would be part of this initial development. The sports bars would occur during the initial phase or shortly thereafter. These three uses are considered as ***"icon" uses and are essential to the achievement of the entertainment district concept.***

Saratoga Street, both the sidewalk and roadway, would be renovated. Streetscape improvements including lights, trees and special paving would be implemented. If the street has a base

course of brick or cobble the upper bituminous course should be removed. Parking for the first phase could be accommodated in the existing garage in Block Five and in surface parking made available in clearing portions of Blocks Two and Four. Additional parking could be found in the open lots north of Franklin and other surrounding blocks.

During middle phases of development, the entertainment precinct would grow. Residential would begin in Block Two. The parking garage and laminated residential apartments in Block Two would be built. The portion of Howard Street between Blocks One and Two would be closed to vehicular traffic and converted into a park/green to serve the residential community.

The last phase of development would see completion of residential development, lofts and new apartments, in Block Three and the opportunity of commercial uses in "Flex Space", the ground floor of the renovated loft buildings along Howard in Block Three, being converted into commercial uses to serve the community.

1. **Phase One** -- The First Phase will focus on creating a critical mass of entertainment development located in Blocks Four and Five, including Saratoga Street, and implementation of new residential apartments and residential loft conversions in Block One. There are currently plans underway for renovation and new infill development for the north half of Block One. BDC and a selected Redeveloper are involved in negotiation for the adoption of a Development Agreement at this time. Once these business terms are determined, our client should realign the Capital Budget accordingly to reflect those decisions.

In addition to residential development, ground floor "commercial flex space" in Block One facing onto both Howard and Franklin Streets will also be implemented. "Flexible Space" can either be utilized for residential or commercial space. The improvements are similar for both uses, allowing the builder to move with the market with space that can be converted either to residential or commercial. This space can also evolve with development of the West Side, possibly starting out as residential and later converting to commercial as retail/service uses move up Howard Street.

Within the interior of Block Four, the core of the retail/entertainment district, a shared kitchen and restaurant/retail space is located and would be housed in new architecture. The ground floors of a majority of existing older architecture along the perimeter of Block Four and along Saratoga in Block Five would be renovated. The renovated buildings, because of their size and configuration, lend themselves to small clubs and pubs, galleries, retail and small eateries. The existing buildings along Park Street would be renovated in the second phase.

The sports bars, an important "icon" use, occupy the north part of Block Four, within the existing buildings along Howard Street and in a new building where surface parking now exists. The sports bars would be developed on two floors, if possible. A new parking structure, located within the interior of Block Five, will provide parking for the retail entertainment complex. The existing garage would be removed for this larger more efficient garage. Several interior additions to street front buildings will require removal. Access to the new garage would be from Saratoga Street and from West Clay Street from the south.

Phase One would also include improvements to sidewalks, alleys, streetscape, intersections, pocket parks, plazas and other public realm spaces in Blocks Three, Four and Five.

2. **Phase Two.** Phase Two would focus on the remainder of the entertainment/retail, Blocks Four and Five, and additional residential lofts and new apartments would be developed in Block Two. A new parking garage would also be introduced within the interior of Block Two to serve the entertainment/retail development and residential units.

The entertainment/retail would be expanded to include additional second floor space within renovated buildings in Block Four and renovation of retail buildings (row storefronts) along Park Street. The renovated buildings would provide additional space for jazz clubs, comedy and dance clubs, small restaurants and galleries and retail. Phase Two would include additional residential development in the form of new apartments along three sides of Block Two and loft conversions of existing buildings facing onto Howard Street. The new units would be four stories in height and wrap around a parking garage. There would be interior private courtyards to serve the new apartment units.

The Parking garage would be shared parking and serve both the residential development in Blocks One and Two and entertainment uses in Block Four. The garage would **not be visible from the street**. The existing north-south alley Tyson Street would be preserved and provide access to the parking garage and a service route for the residential units. Phase Two would also include improvements to sidewalks, alleys, streetscape, intersections, pocket parks, plazas and other public realm spaces in Blocks Two and Four.

3. **Phase Three.** The last phase of development would be additional residential units in Block Three. The Buildings along Howard Street would be renovated into loft apartments as well as the corner building at Eutaw and Franklin Streets. New four-story apartments would be developed in the northwest corner of Block One abutting the renovated corner building. In this phase new residential apartments are shown along Eutaw and Mulberry Streets. Parking for these and possibly other local existing residential units would be provided in new spaces and shared existing parking. The new spaces would be created by adding spaces to the existing garage, which presently serves the State Office Building across the street. Sharing parking with the state office users may also be an opportunity.

VIII. SITE DEVELOPMENT AND CAPITAL COST IMPLICATIONS

A. ACQUISITION AND DEMOLITION COSTS

1. Property Acquisition Costs

Tax records were used to determine the assessed value of property in the four-block, extended area. According to a representative of the Baltimore Development Corporation, assessed values are generally 41 percent of market value. This factor was applied to the taxable properties in the four-block area to determine market value. Tax-exempt properties **already owned by the BDC or City** was excluded from the valuation.

TABLE VIII-1

PROPERTY ACQUISITION COST
NORTH HOWARD STREET PROJECT

Block 1	\$1,350,122
Block 2	\$1,193,660
Block 3	\$1,224,864
Block 4/5	\$6,789,110
Total	<hr/> \$10,557,756

Source: Maryland Department of Revenue;
Business Plans, LLC; ZHA
memo/property

It will cost approximately \$10.6 million to acquire the private property in the North Howard Street Project area. The area planned for the entertainment incubator (Blocks Four and Five) accounts for almost two-thirds, or 64 percent, of the property acquisition costs.

2. Demolition

RTKL estimated demolition costs. Most buildings in the Howard Street Project area are preserved in the plan. Rear sheds, old parking garages, etc., are programmed for demolition.

TABLE VIII-2

DEMOLITION COST ESTIMATES
NORTH HOWARD STREET PROJECT

Block 1	\$261,881
Block 2	\$335,506
Block 3	\$26,117
Block 4/5	\$163,733
Total	<hr/> \$787,237

Source: RTKL, Inc.
memo/demo

Demolition costs are relatively low in this plan. Demolition costs amount to slightly more than three-quarters of a million dollars reflecting the delimited amount of actual dislocation of existing structures and infrastructure contained in this preferred plan offering.

B. CONSTRUCTION COST IMPLICATIONS

Most of the costs associated with construction is associated with the renovation of existing buildings in the project area. In addition, there are costs associated with streetscape, courtyards, and parking. Construction costs estimate summaries are shown by block as follows:

TABLE VIII-3

ALL BLOCKS
CONSTRUCTION COST ESTIMATES
NORTH HOWARD STREET PROJECT

Block 1	\$12,681,620
Block 2	\$21,525,950
Block 3	\$13,344,550
Block 4/5	\$45,386,800
Total	<u>\$92,938,920</u>

Source: RTKL, Inc.; ZHA, Inc.
memo/constr

To construct the plan as envisioned will cost approximately \$93 million. Approximately 10 percent of this cost is associated with parking.

C. ORGANIZATION DIRECTIVE AND FINANCIAL PROGRAMMING

1. Blocks One, Two and Three: Rental Housing

Appendix A contains 10-year proformas for Blocks One, Two and Three. ZHA has assumed that residential units can support a lease rate of \$1.05 per square foot per month, which is consistent with residential rates in the vicinity of the site. ZHA has assumed that private investors will require a 15 percent internal rate of return on equity and reasonable (9 percent) cash-on-cash return in the third year of operation. The proformas demonstrate that the lease rate and the development costs detailed above make private investment unlikely; thereby public assistance is required.

TABLE VIII-4
BLOCKS 1, 2 AND 3
FINANCIAL FEASIBILITY ISSUE
NORTH HOWARD STREET PROJECT

Achievable Rent Per Square Foot /1	<u>Sq. Ft.</u> \$12.60
Average Development Cost	\$111
Loan Type	Mortgage
Loan Term	20
Debt @ 80% of Development Cost /2	\$10.11
Expenses	<u>\$2.00</u>
Sub-Total	\$12.11
Investor Cash on Cash Return @ 15%	<u>\$3.34</u>
Required Rent	\$15.45
Achievable vs. Required	(\$2.85)

1. \$1.05 per square foot per month.
2. Assumed 9.5% interest over 20 year term.

Source: ZHA, Inc.
memo/res sq ft

The table above demonstrates why the redevelopment of Blocks One, Two and Three requires public assistance. The capital costs of the residential project are too high given the achievable rental rate in the project's earlier years.

TABLE VIII-5

BLOCKS 1, 2 AND 3
FINANCIAL FEASIBILITY WITHOUT LAND, DEMOLITION AND PARKING COSTS
NORTH HOWARD STREET PROJECT

	<u>Total</u>	<u>Without Land, Demolition, Parking</u>
Achievable Rent Per Square Foot /1	\$12.60	\$12.60
Average Development Cost	\$111	\$78.19
Loan Type	Mortgage	Mortgage
Loan Term	20	20
Debt @ 80% of Development Cost /2	\$10.11	\$7.10
Expenses	\$2.00	\$2.00
Sub-Total	\$12.11	\$9.10
Investor Cash on Cash Return @ 15%	\$3.34	\$2.35
Required Rent	\$15.45	\$11.44
Achievable vs. Required	(\$2.85)	\$1.16

1. \$1.05 per square foot per month.
2. Assumed 9.5% interest over 20 year term.

Source: ZHA, Inc.
memo/res sq ft issue

Without the costs associated with land, demolition, and parking, the redevelopment of Blocks One, Two and Three for residential uses would be very attractive to a private developer. In fact, under these circumstances the developer would achieve well-above-average return on investment.

D. BLOCK FOUR/FIVE (PARTIAL): ENTERTAINMENT DISTRICT

Blocks Four and Five are the location of the African-American Entertainment District and associated kitchen incubator. Appendix B contains 10-year financial proformas for the commercial development on Blocks Four and Five. The entertainment district includes a publicly funded kitchen incubator, an independently funded and operated public/quasi-public facility. The entertainment district also includes two sports-themed anchors on the north side of Block Four. One of these anchors is a new 36,000 square foot building and the other is an 18,000 square foot adaptive reuse. The remainder of the commercial square footage is located in a new farmers market-type building and existing buildings. Residential uses predominate in building space above street level.

In the Team's estimation it is the proposed mix of the entertainment uses and below-market lease rates that will attract tenants. ZHA has assumed a target commercial lease rate of \$15.00 per square foot. This translates into an occupancy cost of approximately \$18.00 per square foot. With this cost of occupancy, establishments can survive on revenues of \$150 per square foot. ZHA has assumed that residential units can support a lease rate of \$1.05 per square foot per month, which is consistent with residential rates in the vicinity of the site.

ZHA has assumed that private investors will require a 13 to 15 percent internal rate of return on equity. The proformas in Appendix B demonstrate that the lease rate and the development costs detailed above make private investment unlikely; public assistance is required.

TABLE VIII-6

COMMERCIAL USES ON BLOCKS 4/5
FINANCIAL FEASIBILITY ISSUE
NORTH HOWARD STREET PROJECT

	<u>Sq. Ft.</u>	<u>Without Land, Demolition Streetscape, Parking</u>
Achievable Cost of Occupancy Per Sq Ft /1	\$18.00	\$18.00
Average Development Cost	\$207	\$170
Loan Type	Mortgage	Mortgage
Loan Term	20	20
Debt @ 80% of Development Cost /2	\$18.81	\$15.43
Expenses	\$1.50	\$1.50
Sub-Total	\$20.31	\$16.93
Private Investor Return 15%	\$6.22	\$5.10
Required Rent	\$23.89	\$19.92
CAM Charges	\$3.00	\$3.00
Cost of Occupancy	\$26.89	\$22.92
Achievable vs. Required	(\$8.89)	(\$4.92)

1. Includes Common Area Maintenance (CAM) costs and rent.

2. Assumed 9.5% interest over 20 year term.

Source: ZHA, Inc.

comm sq ft

Unlike Blocks One, Two and Three, the redevelopment Blocks Four and Five do not become feasible from a private investor's standpoint even with the land, demolition, streetscape, and parking subsidized. The rents required to create an African-American Entrepreneur District necessitate deeper public funding, averaging about \$5.00 or slightly less per square foot of gross leasable space.

E. JOINT DEVELOPMENT STRATEGY FOR IMPLEMENTATION

Significant capital public assistance is required to cause the redevelopment of the North Howard Street Project Area as planned. The predominantly residential redevelopment programs on Blocks One, Two, and Three require far less assistance than the incubator/entertainment reuses on Blocks Four and Five. The joint development strategy proposed seeks to leverage Blocks One, Two and Three to support the implementation of Blocks Four and Five. To do this, a single, nonprofit development and management entity (a "Development Corporation") is suggested to oversee the redevelopment of the four-block North Howard Street Project Area. This entity could be an existing

North Howard Street African-American Entertainment District

Baltimore, Maryland



ZHA

Business Plans, LLC
Performa Entertainment Real Estate, Inc.

public body, like BDC, a newly organized division of an existing entity, or an entirely new entity with a single mission and purpose. It should, however, be formed to be highly accountable and within the hierarchy of the city or state.

It was expected that the UED Project would involve development costs beyond those normally associated with standard product lines such as a regional shopping center, or other uses found in a "greenfield" situation. The costs of renovation or construction of vertical construction forms, and the infrastructure costs of land and structured parking are most difficult to pass through to participating tenants. Base rents are justifiably higher in urban locations from stabilized operations but newly fostered independent stores and outlets cannot tolerate such rents and high costs for furnishings, fixtures, and equipment.

Start-up businesses reveal a failure rate of nearly 90 percent or more the first 18 months of operations. Our findings for the UED Project match the gaps anticipated as sales yields and rents payable are unable to amortize the anticipated full development and furnishing costs. If public policy is oriented to seizing upon the inherent value of an African-American entertainment complex, it, by definition, must anticipate initial and gap financing assistance as a "public purpose".

1. Blocks One, Two and Three Feasibility Issues

As envisioned, the Development Corporation will acquire Blocks One, Two and Three. The Development Corporation will solicit developers for each of these Blocks. It is acknowledged that BDC is negotiating with a mixed-use residential developer for Block One at this time. Private developers, therefore, need to be identified for Blocks Two and Three, when warranted, for the renovation of those existing buildings for residential uses and all streetscape and amenities associated with that Block's redevelopment. The Development Corporation would lease the land and set the standards for streetscape and amenities, negotiating its capitalized participation with each selected developer of a block or blocks.

- *Acknowledgment is made that BDC recently selected a Redeveloper, Blair McDaniels, LLC, for large portions of Block One including most of Howard Street building fronts. The exact terms of this arrangement are still being negotiated and, until the terms are released, any warranted adjustment cannot be made in our financial proforma statements*

It is suggested that the private developer would enter into a long-term land lease (minimum 50 years) with the Development Corporation. The terms of the land lease will be a key factor in the Development Corporation's developer selection process. For purposes of this analysis, an annual land lease equivalent to 10 percent of the actual costs associated with land acquisition and demolition is assumed and feasible (see Appendix C for proformas). *The land lease will include a provision whereby the Development Corporation will participate in gross revenues when the land lease payment drops below a certain percentage of gross revenues.*

ZHA has assumed that parking is self-supporting. Either the public or private sector on these three blocks will implement parking development.

TABLE VIII-7

BLOCKS 1, 2 AND 3
JOINT DEVELOPMENT STRATEGY
NORTH HOWARD STREET PROJECT

		Without Land, <u>Demolition, Parking</u>
Achievable Rent Per Square Foot /1		\$12.60
Average Development Cost		\$78.19
Loan Type		Mortgage
Loan Term		20
Debt @ 80% of Development Cost /2		\$7.10
Expenses		\$2.00
Land Lease @	10%	\$0.74
Sub-Total		\$9.84
Private Investor Return	15%	\$2.35
Required Rent		\$12.18

Source: ZHA, Inc.

memo/land lease sf

The table above demonstrates the implications of this joint development strategy. Private investors obtain a reasonable return on equity. By leasing land the Development Corporation obtains an annual flow of revenue. The land and demolition costs are paid off in ten years in this example.

TABLE VIII-8
BLOCKS 1, 2 AND 3
LAND LEASE REVENUE
NORTH HOWARD STREET PROJECT

Block 1	\$161,200
Block 2	\$152,917
Block 3	\$125,098
Total	<u>\$439,215</u>

Source: ZHA, Inc.
memo/total land lease

Annual land lease revenues are projected to total approximately \$439,200 per year, exclusive of revenue participation.

2. Joint Development of Blocks Four and Five

As envisioned, the Development Corporation will acquire the properties on Blocks Four and Five. A kitchen incubator will be funded and developed on the site. The kitchen incubator, to be publicly or quasi-publicly owned, will be managed independently from the entertainment district as a whole. Great care, however, must be exercised in setting up the articles of incorporation and by-laws of this entity to provide priority access to the facility by participating tenants of the UED, including preferred hours of access, charged rates for usage, and other features consistent with the aspirations of this publicly sponsored development project.

The Development Corporation will solicit a Master Merchant Developer for the entertainment district. The Master Developer will be responsible for marketing, developing, managing and maintaining the entertainment district. The Master Developer will assume these responsibilities in exchange for overhead reimbursement and 15 percent of gross revenues derived from the entertainment district. Other than coordination, the Master Developer for the entertainment component of the project will not be involved in the mixed-use residential redevelopment on Block One, Two and Three.

In exchange the Development Corporation will agree to the following terms:

- a. A commitment of a lending institution to provide tenant improvement loans to relatively high-risk applicants;
- b. Make the land and buildings available to the Developer at no cost;
- c. Cover the costs associated with stabilizing any given building in the District;

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- d. Subordinate the land to Master Developer loans; and,
- e. Receive all building revenues after debt service, Master Developer overhead and return.

A very similar joint development arrangement was implemented at the Beale Street Entertainment District in Memphis, TN. Essentially, the Development Corporation becomes a development partner in the entertainment district.

The Master Developer structures deals with eligible tenants. The Master Merchant Developer (or tenant or both Master Developer and tenant) obtains a tenant improvement loan. The Master Developer brings the deal to the Development Corporation. The Development Corporation funds the improvements to the building shell. The Master Developer fits-out the unit using loan proceeds.

The tenant pays rent to the Development Corporation. The Development Corporation pays the Tenant's debt service first; then the Master Developer's overhead; the Master Developer's 15 percent gross revenue return, third; and, the remainder goes to the Development Corporation. To the extent that the Master Developer's overhead is not paid in a given year due to lack of funds, these costs will accrue and be paid as money is available.

As illustrated in the following table, target occupancy costs are achieved in this deal structure. The private investors (either the tenant, Master Developer, or both) are primarily responsible for funding tenant improvements. This is very difficult money to obtain and for this reason the joint development strategy requires that (a) a Master Merchant Developer be retained; (b) the buildings and land be subordinated; and, (c) that a loan fund be established for the entertainment district.

In the restaurant and entertainment business it is likely that few of the tenants will have the assets or equity necessary to procure a loan. The Master Developer may assist the tenant on procuring the loan. In exchange, the Master Developer may participate in the revenues of the operation as well as the real estate aspects of the deal.

The subordinated land lease will allow the Master Developer to use the property as collateral. The subordinated lease **will have a cure provision allowing the Development Corporation to assume the loan payments in case of default.** Therefore, the Development Corporation must establish a reserve to cover defaulted tenant improvement loans. The land lease revenues from Blocks One, Two and Three could provide, perhaps, the initial capital for this reserve.

TABLE VIII-9

COMMERCIAL USES ON BLOCKS 4/5
DEVELOPMENT CORPORATION RETURN
NORTH HOWARD STREET PROJECT

Achievable Cost of Occupancy Per Sq Ft /1	Year 1-7 \$18.00	Year 8 + \$18.00
Average Development Cost	\$70	\$70
Loan Type	Tenant Improvement Loan	Tenant Improvement Loan
Loan Term	7	0
Debt @ 80% of Development Cost /2	\$11.31	\$0.00
Expenses	\$1.50	\$1.50
Sub-Total	\$12.81	\$1.50
Private Investor Return 15%	\$2.26	\$2.26
Required Rent	\$15.08	\$1.76
CAM Charges	\$3.00	\$3.00
Cost of Occupancy	\$18.08	\$4.76
<i>Development Corporation Return</i>	<i>\$0.00</i>	<i>\$13.24</i>

1. Includes Common Area Maintenance (CAM) costs and rent.
2. Assumed 9.5% interest over 20 year term.

Source: ZHA, Inc.
memo/jdcomm yr 8

As illustrated on the table above, over time revenues from tenants in the entertainment district will capitalize the reserve fund. Assuming a tenant improvement loan term of seven years, the equivalent of the tenant improvement loan's debt service is available to the Development Corporation after Year 7.

In the case illustrated above, ZHA has assumed the same rent in Year 8. It could be that rents increase between Years 1 and 7. In such a case the Development Corporation would get 85 percent of the increased revenue (15 percent of the increased revenue would be the Master Developer's) in these years as well as the value of the tenant improvement loan debt service once the loan is retired.

To be realistic, a loan fund must be established and/or available for the entertainment district tenants. These loans will be high risk and the Incubator will not work if entrepreneurs cannot access the capital necessary to operate a business at this location. The redevelopment of Blocks Four and Five will require \$ 8,400,000 in tenant improvement loans. Entities such as the American Communities Fund may be appropriate partners.

In addition to this strategy to reduce the tenant's cost of occupancy, there is property tax abatement available because the entertainment district is in an Enterprise Zone. Commercial property taxes are abated on a graduate basis over a 10-year period. These savings will ultimately pass through to the tenant, lowering their cost of occupancy. See Appendix G for details, as estimated by the Baltimore Development Corporation.

F. PUBLIC AND QUASI-PUBLIC SECTOR COSTS

The following table summarizes the costs associated with the joint development strategy.

TABLE VIII-10

PUBLIC FUNDS REQUIRED
NORTH HOWARD STREET PROJECT

PUBLIC

BLOCKS 1-3

Land/Demolition /1	\$2,780,147
Parking /1	\$6,706,150
Sub-Total /1	<u>\$9,486,297</u>

BLOCKS 4/5

Land/Demolition	\$6,952,843
Parking	\$3,076,500
Incubator Kitchen	\$6,050,000
Streetscape/Public Realm	\$964,900
Buildings	\$12,028,000
Sub-Total	<u>\$29,072,243</u>

SUB-TOTAL	<u><u>\$38,558,540</u></u>
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PUBLIC NET OF BLK 1-3 LAND & PK	\$29,072,243	31%
PRIVATE	\$63,866,677	69%
TOTAL	<u>\$92,938,920</u>	

1. A land lease is proposed which could pay off these costs.

Source: ZHA, Inc.

memo/pub cost

Parking will likely pay for itself.

The land acquisition and demolition costs associated with Blocks One, Two and Three will be paid back in 10 years if a land lease of 10 percent of value is employed. In the near term, however, the RTKL/ZHA Team recommends that the land lease proceeds be used to establish a reserve fund for the African-American Entrepreneur Entertainment District.

The African-American Entrepreneur Entertainment District will require approximately \$23 million in capital. The incubator kitchen will require an additional \$6 million in capital. The kitchen will be self-supporting on an operating basis.

Land uses in the North Howard Street Project Area will, over time, generate revenue to the Development Corporation. Initially, these revenues will be used to capitalize operating and capital reserves. Ultimately, revenues could be used to fund additional African-American entrepreneurial endeavors within Baltimore neighborhoods and commercial districts.

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APPENDICES

Howard Street African-American Entrepreneurial Development District West Side of Downtown Baltimore

*Appendix A -- Blocks One, Two and Three Financial Proforma Statement
Assuming Acquisition of Land and Building Payments*

*Appendix B -- Blocks Four and Five African-American Entertainment District
Financial Proforma Statement Assuming Land Acquisition and Related Costs*

*Appendix C -- Blocks One, Two and Three Financial Proforma Statement
Assuming Land Acquisition and Related Site Preparation Costs are Converted
Into Land Lease Annual Operating Payments*

Appendix D - Net Incremental Taxes to the City, North Howard Street Project

Appendix E - Additional Illustrations/Area Photographs

APPENDIX A

***Blocks One, Two and Three
Financial Proforma Statement
Assuming Acquisition of Land and Building Payments***

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Appendix A -- BLOCK 1

Assumptions

	\$1.05 per Square Foot Per Month										\$21.00 Triple Net									
	30% of Revenue										5% of Revenue									
	97%										95%									
Residential	1	2	3	4	5	6	7	8	9	10										
Apartment	123	123	123	123	123	123	123	123	123	123										
Occupied Apartments	73	119	119	119	119	119	119	119	119	119										
Occupancy Rate	59%	96%	97%	97%	97%	97%	97%	97%	97%	97%										
Gross Revenues	\$1,505,385	\$1,550,547	\$1,597,063	\$1,644,975	\$1,694,324	\$1,745,154	\$1,797,508	\$1,851,434	\$1,906,977	\$1,964,186										
Less: Vacancy	(\$611,945)	(\$555,677)	(\$47,912)	(\$49,349)	(\$50,830)	(\$52,355)	(\$53,925)	(\$55,543)	(\$57,209)	(\$58,926)										
Net Revenues	\$893,440	\$1,494,870	\$1,549,151	\$1,595,626	\$1,643,494	\$1,692,799	\$1,743,583	\$1,795,891	\$1,849,767	\$1,905,260										
Expenses	(\$451,616)	(\$465,164)	(\$479,119)	(\$493,492)	(\$508,297)	(\$523,546)	(\$539,253)	(\$555,430)	(\$572,093)	(\$589,256)										
Residential NOI	\$441,824	\$1,029,706	\$1,070,032	\$1,102,133	\$1,135,197	\$1,169,253	\$1,204,331	\$1,240,461	\$1,277,674	\$1,316,005										
Retail																				
Rent	\$21.00	\$21.63	\$22.28	\$22.95	\$23.64	\$24.34	\$25.08	\$25.83	\$26.60	\$27.40										
Square Feet	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500										
Occupied Space	5,000	9,000	14,725	14,725	14,725	14,725	14,725	14,725	14,725	14,725										
Occupancy Rate	32%	58%	95%	95%	95%	95%	95%	95%	95%	95%										
Gross Revenues	\$325,500	\$335,265	\$345,323	\$355,683	\$366,353	\$377,344	\$388,664	\$400,324	\$412,334	\$424,704										
Less: Vacancy	(\$220,500)	(\$140,595)	(\$17,266)	(\$17,784)	(\$18,318)	(\$18,867)	(\$19,433)	(\$20,016)	(\$20,617)	(\$21,235)										
Net Revenues	\$105,000	\$194,670	\$328,057	\$337,899	\$348,035	\$358,477	\$369,231	\$380,308	\$391,717	\$403,468										
Expenses	(\$10,763)	(\$13,248)	(\$17,266)	(\$17,784)	(\$18,318)	(\$18,867)	(\$19,433)	(\$20,016)	(\$20,617)	(\$21,235)										
Commercial NOI	\$94,238	\$181,422	\$310,791	\$320,114	\$329,718	\$339,609	\$349,798	\$360,292	\$371,100	\$382,233										
Net Operating Income	\$536,062	\$1,211,127	\$1,380,823	\$1,422,248	\$1,464,915	\$1,508,862	\$1,554,128	\$1,600,752	\$1,648,775	\$1,698,238										
Debt Service	\$1,137,798	\$1,137,798	\$1,137,798	\$1,137,798	\$1,137,798	\$1,137,798	\$1,137,798	\$1,137,798	\$1,137,798	\$1,137,798										
Cash Flow	(\$4,257,912)	(\$601,736)	\$73,329	\$243,025	\$284,450	\$327,117	\$371,064	\$416,330	\$462,954	\$510,977										
Cash on Cash			1.7%	5.7%	6.7%	7.7%	8.7%	9.8%	10.9%	12.0%										
IRR on Liquity			12%																	

Source: ZHA, Inc.

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Appendix A -- BLOCK 2

Assumptions		\$1.05 per Square Foot Per Month 30% of Revenue 97%										Commercial Rent Commercial Expenses Stabilized Occupancy		\$0.00 Triple Net 5% of Revenue 95%	
Residential	Year	1	2	3	4	5	6	7	8	9	10				
Residential Apartments		184	184	184	184	184	184	184	184	184	184				
Occupied Apartments		102	175	178	178	178	178	178	178	178	178				
Occupancy Rate		55%	95%	97%	97%	97%	97%	97%	97%	97%	97%				
Gross Revenues		\$2,348,627	\$2,419,086	\$2,491,659	\$2,566,409	\$2,643,401	\$2,722,703	\$2,804,384	\$2,888,515	\$2,975,171	\$3,064,426				
Less: Vacancy		(\$1,053,053)	(\$120,165)	(\$74,750)	(\$76,992)	(\$79,302)	(\$81,681)	(\$84,132)	(\$86,655)	(\$89,255)	(\$91,933)				
Net Revenues		\$1,295,574	\$2,298,921	\$2,416,909	\$2,489,416	\$2,564,099	\$2,641,022	\$2,720,252	\$2,801,860	\$2,885,916	\$2,972,493				
Expenses		30%													
Residential NOI		(\$704,588)	(\$725,726)	(\$747,498)	(\$769,923)	(\$793,020)	(\$816,811)	(\$841,315)	(\$866,555)	(\$892,551)	(\$919,328)				
Retail		\$590,986	\$1,573,195	\$1,669,411	\$1,719,494	\$1,771,079	\$1,824,211	\$1,878,937	\$1,935,305	\$1,993,365	\$2,053,165				
Rent		\$0.00	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00				
Square Feet		-	-	-	-	-	-	-	-	-	-				
Occupied Space		-	-	-	-	-	-	-	-	-	-				
Occupancy Rate		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%				
Gross Revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Less: Vacancy		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Net Revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Expenses		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Commercial NOI		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Net Operating Income		\$590,986	\$1,573,195	\$1,669,411	\$1,719,494	\$1,771,079	\$1,824,211	\$1,878,937	\$1,935,305	\$1,993,365	\$2,053,165				
Debt Service		\$1,375,595	\$1,375,595	\$1,375,595	\$1,375,595	\$1,375,595	\$1,375,595	\$1,375,595	\$1,375,595	\$1,375,595	\$1,375,595				
Cash Flow		(\$784,609)	\$197,600	\$293,816	\$343,899	\$395,484	\$448,616	\$503,342	\$559,710	\$617,770	\$677,004				
Cash on Cash			1.8%	2.7%	3.1%	3.6%	4.1%	4.6%	5.1%	5.7%	6.2%				
IRR on Equity			3.7%												

Source: ZHA, Inc.

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Appendix A -- BLOCK 3

Assumptions

	Year	1	2	3	4	5	6	7	8	9	10
Residential											
Apartments		113	113	113	113	113	113	113	113	113	113
Occupied Apartments		91	110	110	110	110	110	110	110	110	110
Occupancy Rate		80%	97%	97%	97%	97%	97%	97%	97%	97%	97%
Gross Revenues		\$1,322,855	\$1,362,541	\$1,403,417	\$1,445,520	\$1,488,885	\$1,533,552	\$1,579,558	\$1,626,945	\$1,675,754	\$1,726,026
Less: Vacancy		(\$259,498)	(\$36,174)	(\$37,259)	(\$38,377)	(\$39,528)	(\$40,714)	(\$41,935)	(\$43,193)	(\$44,489)	(\$45,824)
Net Revenues		\$1,063,357	\$1,326,367	\$1,366,158	\$1,407,143	\$1,449,357	\$1,492,838	\$1,537,623	\$1,583,752	\$1,631,264	\$1,680,202
Expenses											
Residential NOI		30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Rent		\$15.00	\$15.45	\$15.91	\$16.39	\$16.88	\$17.39	\$17.91	\$18.45	\$19.00	\$19.57
Square Feet		39,200	39,200	39,200	39,200	39,200	39,200	39,200	39,200	39,200	39,200
Occupied Space		15,000	25,000	37,240	37,240	37,240	37,240	37,240	37,240	37,240	37,240
Occupancy Rate		38%	64%	95%	95%	95%	95%	95%	95%	95%	95%
Gross Revenues		\$588,000	\$605,640	\$623,809	\$642,523	\$661,799	\$681,653	\$702,103	\$723,166	\$744,861	\$767,207
Less: Vacancy		(\$363,000)	(\$219,390)	(\$31,190)	(\$32,126)	(\$33,090)	(\$34,083)	(\$35,105)	(\$36,158)	(\$37,243)	(\$38,360)
Net Revenues		\$225,000	\$386,250	\$592,619	\$610,397	\$628,709	\$647,570	\$666,998	\$687,008	\$707,618	\$728,846
Expenses											
Commercial NOI											
Net Operating Income		(\$40,650)	(\$49,595)	(\$60,821)	(\$61,040)	(\$62,871)	(\$64,757)	(\$66,700)	(\$68,701)	(\$70,762)	(\$72,885)
Debt Service		\$184,350	\$336,656	\$531,797	\$549,358	\$565,838	\$582,813	\$600,298	\$618,307	\$636,856	\$655,962
Cash Flow		\$850,851	\$1,254,261	\$1,476,931	\$1,522,845	\$1,568,530	\$1,615,586	\$1,664,054	\$1,713,975	\$1,765,394	\$1,818,356
Cash on Cash		\$1,218,276	\$1,218,276	\$1,218,276	\$1,218,276	\$1,218,276	\$1,218,276	\$1,218,276	\$1,218,276	\$1,218,276	\$1,218,276
IRR on Equity		14.6%	0.9%	6.7%	7.9%	9.1%	10.3%	11.5%	12.8%	14.2%	298.4%

Source: ZHA, Inc.

APPENDIX B

***Blocks Four and Five
African-American Entertainment District
Financial Proforma Statement
Assuming Land Acquisition and Related Costs***

North Howard Street African-American Entertainment District

Baltimore, Maryland



ZHA

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Appendix B -- BLOCKS 4 and 5

Assumptions

Residential Rent \$1.05 per Square Foot Per Month
 Residential Exp. 30% of Revenue
 Stabilized Occ. 97%

Residential	Year	1	2	3	4	5	6	7	8	9	10
Apartment		54	54	54	54	54	54	54	54	54	54
Occupied Apartments		29.5	52.38	52.38	52.38	52.38	52.38	52.38	52.38	52.38	52.38
Occupancy Rate		55%	97%	97%	97%	97%	97%	97%	97%	97%	97%
Gross Revenues		\$741,409	\$763,651	\$786,561	\$810,158	\$834,463	\$859,496	\$885,281	\$911,840	\$939,195	\$967,371
Less: Vacancy		(\$336,380)	(\$22,910)	(\$23,597)	(\$24,305)	(\$25,034)	(\$25,785)	(\$26,558)	(\$27,355)	(\$28,176)	(\$29,021)
Net Revenues		\$405,029	\$740,742	\$762,964	\$785,853	\$809,429	\$833,712	\$858,723	\$884,485	\$911,019	\$938,350
Expenses	30%	(\$222,423)	(\$229,095)	(\$235,968)	(\$243,047)	(\$250,339)	(\$257,849)	(\$265,584)	(\$273,552)	(\$281,758)	(\$290,211)
Residential NOI		\$182,606	\$511,646	\$526,996	\$542,806	\$559,090	\$575,863	\$593,139	\$610,933	\$629,261	\$648,138
Retail											
Rent		\$15.00	\$15.45	\$15.91	\$16.39	\$16.88	\$17.39	\$17.91	\$18.45	\$19.00	\$19.57
Square Feet		226,800	226,800	226,800	226,800	226,800	226,800	226,800	226,800	226,800	226,800
Occupied Space		127,008	167,832	199,584	215,460	215,460	215,460	215,460	215,460	215,460	215,460
Occupancy Rate		56%	74%	88%	95%	95%	95%	95%	95%	95%	95%
Gross Revenues		\$3,402,000	\$3,504,060	\$3,609,182	\$3,717,457	\$3,828,981	\$3,943,850	\$4,062,166	\$4,184,031	\$4,309,552	\$4,438,838
Less: Vacancy		(\$1,496,880)	(\$911,056)	(\$433,102)	(\$185,873)	(\$191,449)	(\$197,193)	(\$203,108)	(\$209,202)	(\$215,478)	(\$221,942)
Net Revenues		\$1,905,120	\$2,593,004	\$3,176,080	\$3,531,584	\$3,637,532	\$3,746,658	\$3,859,058	\$3,974,829	\$4,094,074	\$4,216,896
Expenses		(\$170,100)	(\$175,203)	(\$180,459)	(\$185,873)	(\$191,449)	(\$197,193)	(\$203,108)	(\$209,202)	(\$215,478)	(\$221,942)
Commercial NOI		\$1,735,020	\$2,417,801	\$2,995,621	\$3,345,712	\$3,446,083	\$3,549,465	\$3,655,949	\$3,765,628	\$3,878,597	\$3,994,955
Net Operating Income		\$1,917,626	\$2,929,448	\$3,522,617	\$3,888,517	\$4,005,173	\$4,125,328	\$4,249,088	\$4,376,560	\$4,507,857	\$4,643,093
Debt Service		\$3,110,814	\$3,110,814	\$3,110,814	\$3,110,814	\$3,110,814	\$3,110,814	\$3,110,814	\$3,110,814	\$3,110,814	\$3,110,814
Cash Flow	(\$28,786,363)	(\$1,193,187)	(\$181,366)	\$411,803	\$777,703	\$894,359	\$1,014,514	\$1,138,274	\$1,265,747	\$1,397,043	\$29,408,531
Cash on Cash			-0.6%	1.4%	2.7%	3.1%	3.5%	4.0%	4.4%	4.9%	102.2%
IRR on Equity	2.0%										

Source: ZHA, Inc.

APPENDIX C

Blocks One, Two and Three Financial Proforma Statement Assuming Land Acquisition and Related Site Preparation Costs are Converted Into Land Lease Annual Operating Payments

North Howard Street African-American Entertainment District

Baltimore, Maryland



ZHA
Business Plans, LLC
Performa Entertainment Real Estate, Inc.

North Howard Street African-American Entertainment District

Baltimore, Maryland



ZHA
Business Plans, LLC
Performa Entertainment Real Estate, Inc.

Appendix C -- BLOCK 1

Operating Assumptions: See Appendix A

Joint Development Deal Assumptions

	Total Public Sector Cost										\$1,612,003
	Annual Land Lease @										10%
											\$161,200
Residential	Year	1	2	3	4	5	6	7	8	9	10
Apartments		123	123	123	123	123	123	123	123	123	123
Occupied Apts		73	119	119	119	119	119	119	119	119	119
Occupancy Rate		59%	96%	97%	97%	97%	97%	97%	97%	97%	97%
Gross Revenues		\$1,505,385	\$1,550,547	\$1,597,063	\$1,644,975	\$1,694,324	\$1,745,154	\$1,797,508	\$1,851,434	\$1,906,977	\$1,964,186
Less: Vacancy		(\$611,945)	(\$55,677)	(\$47,912)	(\$49,349)	(\$50,830)	(\$52,355)	(\$53,925)	(\$55,543)	(\$57,209)	(\$58,926)
Net Revenues		\$893,440	\$1,494,870	\$1,549,151	\$1,595,626	\$1,643,494	\$1,692,799	\$1,743,583	\$1,795,891	\$1,849,767	\$1,905,260
Expenses	30%	(\$451,616)	(\$465,164)	(\$479,119)	(\$493,492)	(\$508,297)	(\$523,546)	(\$539,253)	(\$555,430)	(\$572,093)	(\$589,256)
Residential NOI		\$441,824	\$1,029,706	\$1,070,032	\$1,102,133	\$1,135,197	\$1,169,253	\$1,204,331	\$1,240,461	\$1,277,674	\$1,316,005
Retail											
Rent		\$21.00	\$21.63	\$22.28	\$22.95	\$23.64	\$24.34	\$25.08	\$25.83	\$26.60	\$27.40
Square Feet		15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500
Occupied Space		5,000	9,000	14,725	14,725	14,725	14,725	14,725	14,725	14,725	14,725
Occupancy Rate		32%	58%	95%	95%	95%	95%	95%	95%	95%	95%
Gross Revenues		\$325,500	\$335,265	\$345,323	\$355,683	\$366,353	\$377,344	\$388,664	\$400,324	\$412,334	\$424,704
Less: Vacancy		(\$220,500)	(\$140,595)	(\$17,266)	(\$17,784)	(\$18,318)	(\$18,867)	(\$19,433)	(\$20,016)	(\$20,617)	(\$21,235)
Net Revenues		\$105,000	\$194,670	\$328,057	\$337,899	\$348,035	\$358,477	\$369,231	\$380,308	\$391,717	\$403,468
Expenses		(\$10,763)	(\$13,248)	(\$17,266)	(\$17,784)	(\$18,318)	(\$18,867)	(\$19,433)	(\$20,016)	(\$20,617)	(\$21,235)
Commercial NOI		\$94,238	\$181,422	\$310,791	\$320,114	\$329,718	\$339,609	\$349,798	\$360,292	\$371,100	\$382,233
Land Lease		(\$161,200)	(\$161,200)	(\$161,200)	(\$161,200)	(\$161,200)	(\$161,200)	(\$161,200)	(\$161,200)	(\$161,200)	(\$161,200)
Net Operating Income		\$374,862	\$1,049,927	\$1,219,623	\$1,261,047	\$1,303,715	\$1,347,662	\$1,392,928	\$1,439,552	\$1,487,574	\$1,537,038
Debt Service		\$1,008,838	\$1,008,838	\$1,008,838	\$1,008,838	\$1,008,838	\$1,008,838	\$1,008,838	\$1,008,838	\$1,008,838	\$9,359,674
Cash Flow	(\$2,834,856)	(\$633,976)	\$41,089	\$210,785	\$252,209	\$294,877	\$338,824	\$384,090	\$430,714	\$478,737	\$1,008,838
Cash on Cash			1.4%	7.4%	8.9%	10.4%	12.0%	13.5%	15.2%	16.9%	348.8%
IRR on Equity	15%										

Source: ZHA, Inc.

Operating Assumptions: See Appendix A

Joint Development Deal Assumptions

	Year	1	2	3	4	5	6	7	8	9	10	
Residential												
Apartment		184	184	184	184	184	184	184	184	184	184	\$1,529,166
Occupied Apartments		102	175	178	178	178	178	178	178	178	178	\$152,917
Occupancy Rate		55%	95%	97%	97%	97%	97%	97%	97%	97%	97%	
Gross Revenues		\$2,348,627	\$2,419,086	\$2,491,659	\$2,566,409	\$2,643,401	\$2,722,703	\$2,804,384	\$2,888,515	\$2,975,171		\$3,064,426
Less: Vacancy		(\$1,053,053)	(\$120,165)	(\$74,750)	(\$76,992)	(\$79,302)	(\$81,681)	(\$84,132)	(\$86,655)	(\$89,255)		(\$91,933)
Net Revenues		\$1,295,574	\$2,298,921	\$2,416,909	\$2,489,416	\$2,564,099	\$2,641,022	\$2,720,252	\$2,801,860	\$2,885,916		\$2,972,493
Expenses	30%	(\$704,588)	(\$725,726)	(\$747,498)	(\$769,923)	(\$793,020)	(\$816,811)	(\$841,315)	(\$866,555)	(\$892,551)		(\$919,328)
Residential NOI		\$590,986	\$1,573,195	\$1,669,411	\$1,719,494	\$1,771,079	\$1,824,211	\$1,878,937	\$1,935,305	\$1,993,365		\$2,053,165
Retail												
Rent		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Square Feet		-	-	-	-	-	-	-	-	-		-
Occupied Space		-	-	-	-	-	-	-	-	-		-
Occupancy Rate		0%	0%	0%	0%	0%	0%	0%	0%	0%		0%
Gross Revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Less: Vacancy		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Net Revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Expenses		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Commercial NOI		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Land Lease		\$152,917	\$152,917	\$152,917	\$152,917	\$152,917	\$152,917	\$152,917	\$152,917	\$152,917		\$152,917
Net Operating Income		\$438,070	\$1,420,278	\$1,516,495	\$1,566,577	\$1,618,162	\$1,671,294	\$1,726,021	\$1,782,389	\$1,840,448		\$1,900,249
Debt Service		\$1,253,262	\$1,253,262	\$1,253,262	\$1,253,262	\$1,253,262	\$1,253,262	\$1,253,262	\$1,253,262	\$1,253,262		\$13,816,216
Cash Flow		(\$815,192)	\$167,017	\$263,233	\$313,315	\$364,900	\$418,033	\$472,759	\$529,127	\$587,186		\$1,253,262
Cash on Cash IRR on Equity			3.2%	5.1%	6.1%	7.1%	8.1%	9.2%	10.3%	11.4%		280.8%

Source: ZIA, Inc.

North Howard Street African-American Entertainment District

Baltimore, Maryland



ZHA

Business Plans, LLC

Performa Entertainment Real Estate, Inc.

Appendix C -- BLOCK 3

Operating Assumptions: See Appendix A

Joint Development Deal Assumptions

	Year										Total Public Sector Cost Annual Land Lease @	10%
	1	2	3	4	5	6	7	8	9	10		
Residential Apartments	113	113	113	113	113	113	113	113	113	113		
Occupied Apartments	91	110	110	110	110	110	110	110	110	110		
Occupancy Rate	80%	97%	97%	97%	97%	97%	97%	97%	97%	97%		
Gross Revenues	\$1,322,855	\$1,362,541	\$1,403,417	\$1,445,520	\$1,488,885	\$1,533,552	\$1,579,558	\$1,626,945	\$1,675,754	\$1,726,026		
Less: Vacancy	(\$259,498)	(\$36,174)	(\$37,259)	(\$38,377)	(\$39,528)	(\$40,714)	(\$41,935)	(\$43,193)	(\$44,489)	(\$45,824)		
Net Revenues	\$1,063,357	\$1,326,367	\$1,366,158	\$1,407,143	\$1,449,357	\$1,492,838	\$1,537,623	\$1,583,752	\$1,631,264	\$1,680,202		
Expenses	30%											
Residential NOI	\$666,501	\$917,605	\$945,133	\$973,487	\$1,002,692	\$1,032,773	\$1,063,756	\$1,095,668	\$1,128,538	\$1,162,395		
Retail												
Rent	\$15,000	\$15,450	\$15,910	\$16,390	\$16,880	\$17,390	\$17,910	\$18,450	\$19,000	\$19,570		
Square Feet	39,200	39,200	39,200	39,200	39,200	39,200	39,200	39,200	39,200	39,200		
Occupied Space	15,000	25,000	37,240	37,240	37,240	37,240	37,240	37,240	37,240	37,240		
Occupancy Rate	38%	64%	95%	95%	95%	95%	95%	95%	95%	95%		
Gross Revenues	\$588,000	\$605,640	\$623,809	\$642,523	\$661,799	\$681,653	\$702,103	\$723,166	\$744,861	\$767,207		
Less: Vacancy	(\$363,000)	(\$219,390)	(\$31,190)	(\$32,126)	(\$33,090)	(\$34,083)	(\$35,105)	(\$36,158)	(\$37,243)	(\$38,360)		
Net Revenues	\$225,000	\$386,250	\$592,619	\$610,397	\$628,709	\$647,570	\$666,998	\$687,008	\$707,618	\$728,846		
Expenses	(\$40,650)	(\$49,595)	(\$60,821)	(\$61,040)	(\$62,871)	(\$64,757)	(\$66,700)	(\$68,701)	(\$70,762)	(\$72,885)		
Commercial NOI	\$184,350	\$336,656	\$531,797	\$549,358	\$565,838	\$582,813	\$600,298	\$618,307	\$636,856	\$655,962		
Land Lease Payment	(\$125,098)	(\$125,098)	(\$125,098)	(\$125,098)	(\$125,098)	(\$125,098)	(\$125,098)	(\$125,098)	(\$125,098)	(\$125,098)		
Net Operating Income	\$725,752	\$1,129,162	\$1,351,832	\$1,397,747	\$1,443,432	\$1,490,488	\$1,538,955	\$1,588,877	\$1,640,296	\$1,693,258		
Debt Service	\$1,118,197	\$1,118,197	\$1,118,197	\$1,118,197	\$1,118,197	\$1,118,197	\$1,118,197	\$1,118,197	\$1,118,197	\$1,118,197		
Cash Flow	(\$2,566,568)	(\$392,445)	\$10,965	\$233,635	\$279,549	\$325,235	\$372,291	\$420,758	\$470,680	\$522,099		
Cash on Cash		0.4%	9.1%	10.9%	12.7%	14.5%	16.4%	18.3%	20.3%	22.5%		
IRR on Equity												

Source: ZHA, Inc.

APPENDIX D

***Net Incremental Taxes to the City
North Howard Street Project***

North Howard Street African-American Entertainment District

Baltimore, Maryland



ZHA

Business Plans, LLC
Performa Entertainment Real Estate, Inc.

APPENDIX D

NET INCREMENTAL TAXES TO THE CITY NORTH HOWARD STREET PROJECT

	Totals	Taxable		Tax-Exempt						
		Total Land	Total Improvement	Total Land	Total Improvement	Year 1	Year 2	Year 3	Year 4	Year 5
Total Land		\$9,255,361								
Total Improvement		\$3,839,510								
Total Existing Assessment		\$13,094,871								
Total Development Costs		\$92,938,920								
Less: Existing Assessment		\$13,094,871								
Gross Incremental Assessment		\$79,844,049								
Net Increment Assessment (85% of Gross)		\$67,867,442								
Incremental Taxes		\$1,579,954								
Economic Benefits										
City Real Property Tax - Increment of Project Assessment		\$1,579,954								
Enterprise Credit										
Less: Enterprise Credit Paid		\$1,263,963								
Gross Real Property Tax Paid		\$315,991								
Incremental City Taxes		\$315,991								
State Reimbursement 50%		\$631,982								
Net Incremental Taxes		\$947,972								

Source: Baltimore Development Corporation
2000/APP6

North Howard Street African-American Entertainment District

Baltimore, Maryland



ZHA

Business Plans, LLC

Performa Entertainment Real Estate, Inc.

APPENDIX E

Additional Illustrations/Area Photographs

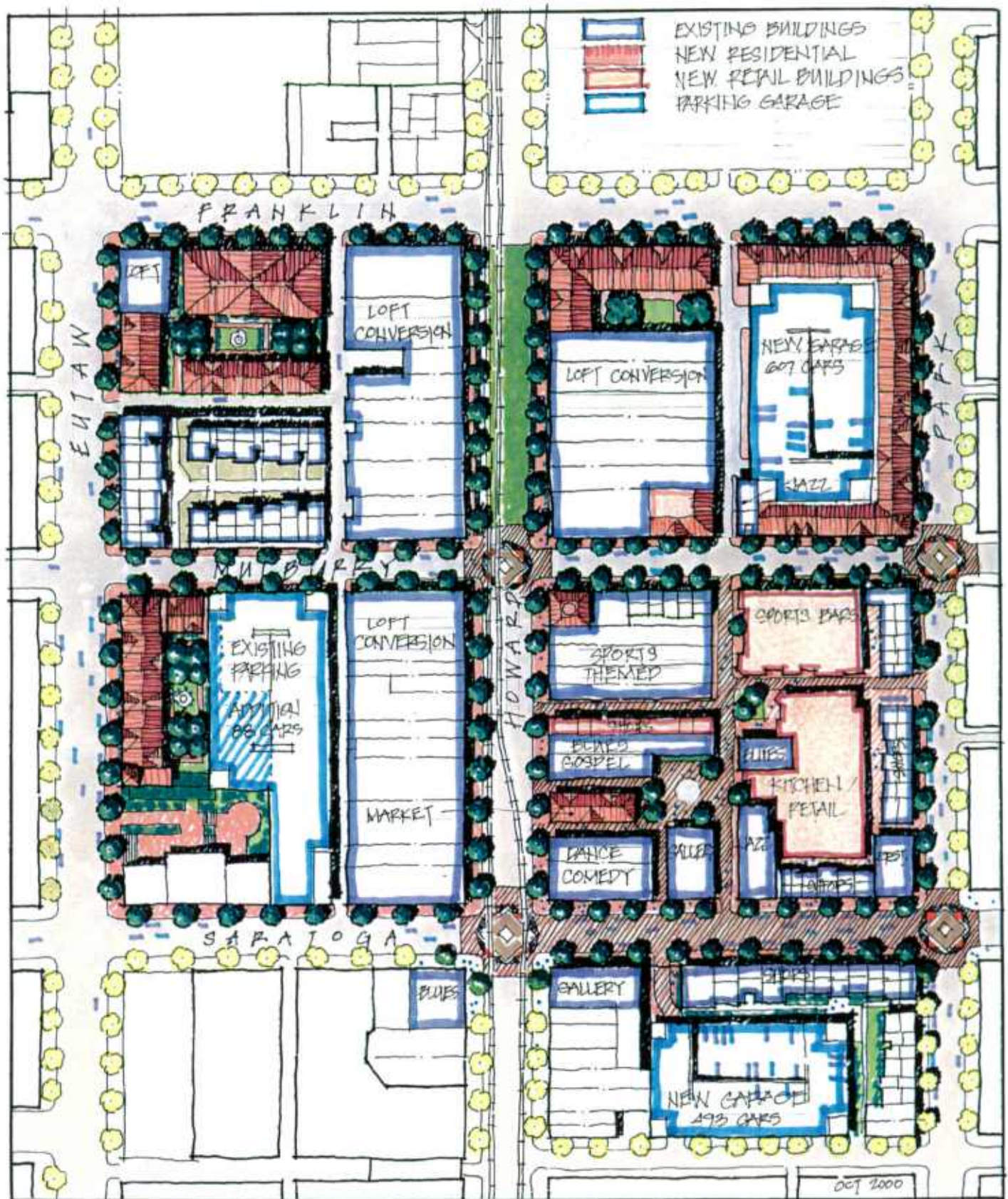
North Howard Street African-American Entertainment District

Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



MASTER PLAN

North Howard Street African-American Entertainment District

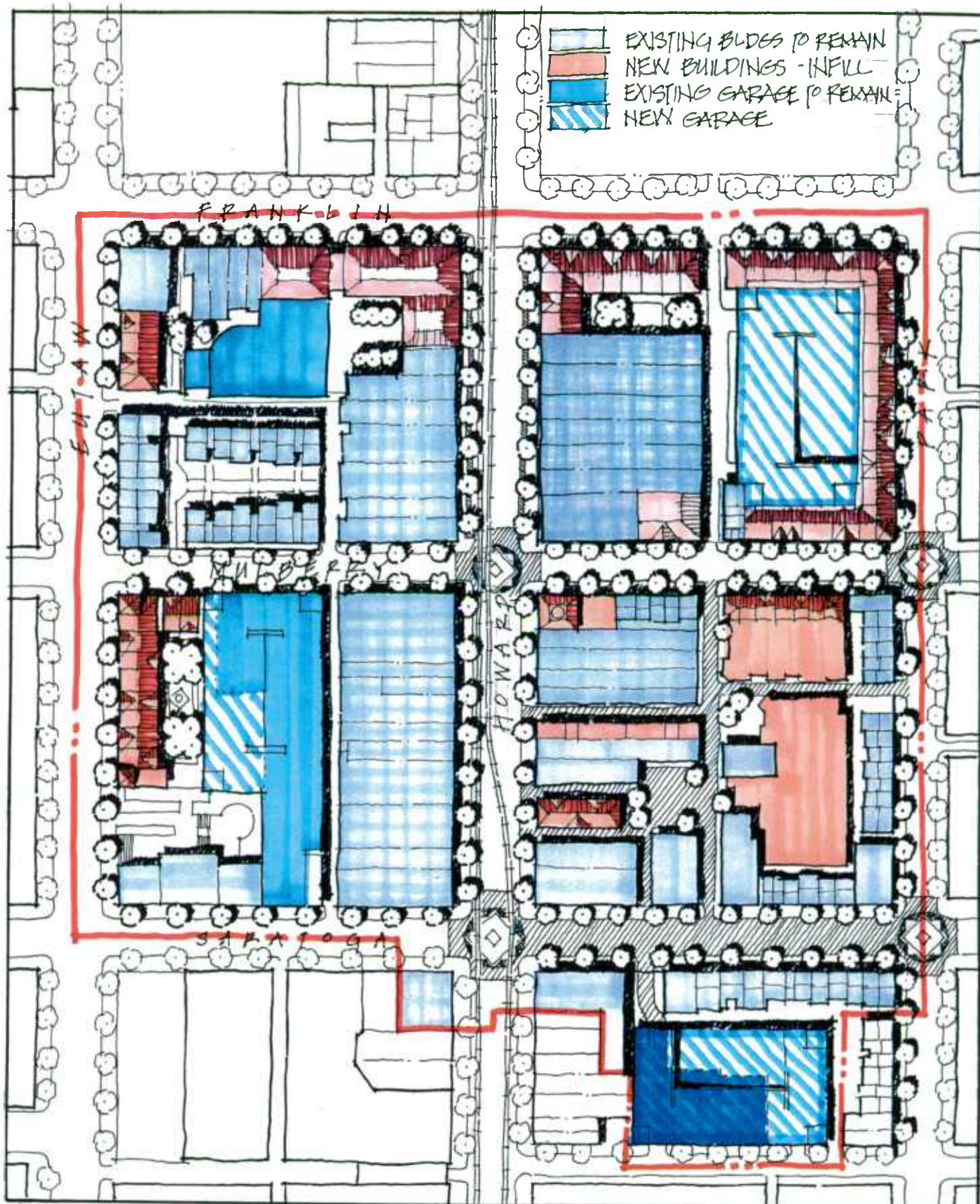
Baltimore, Maryland



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North Howard Street African-American Entertainment District

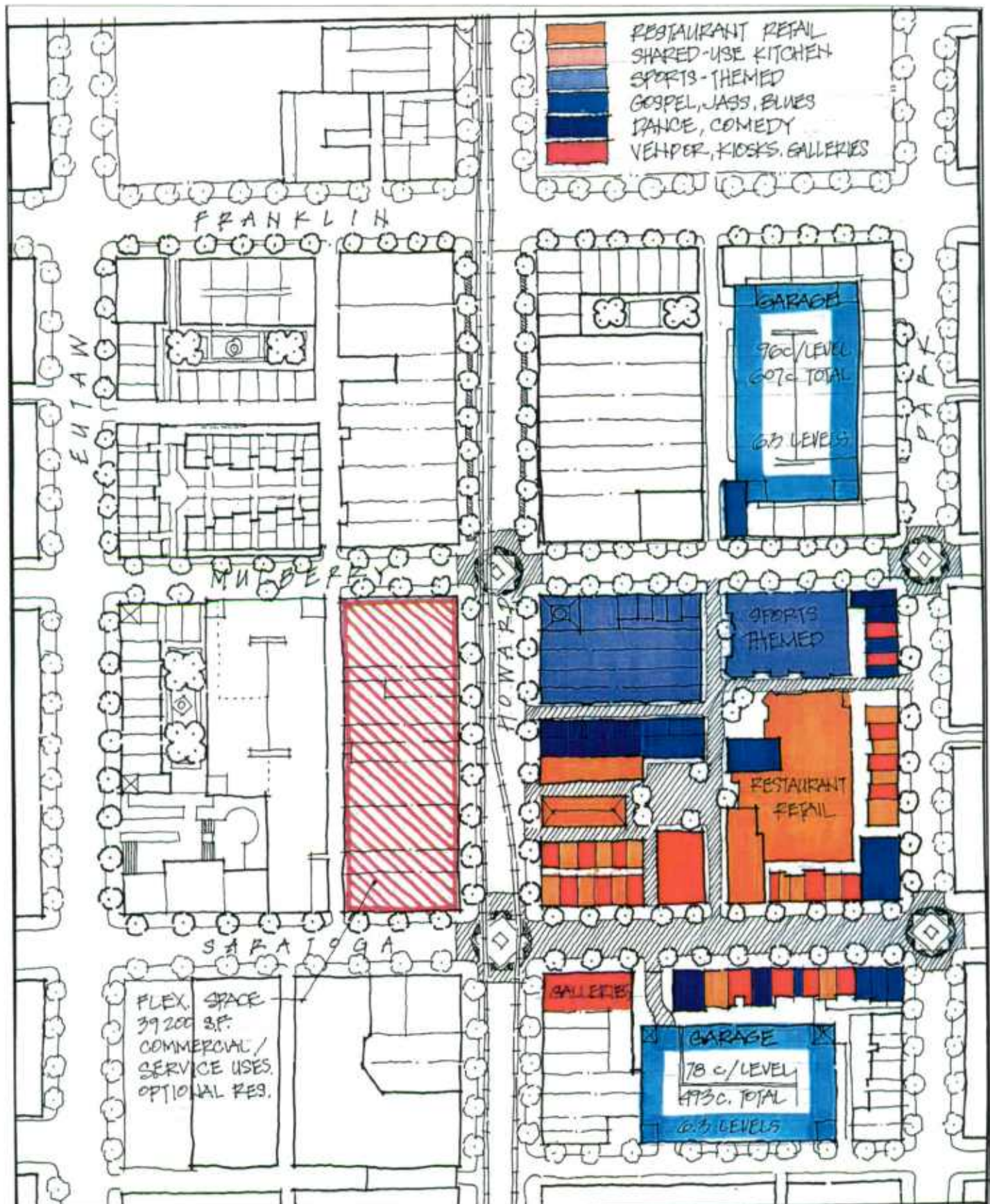
Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



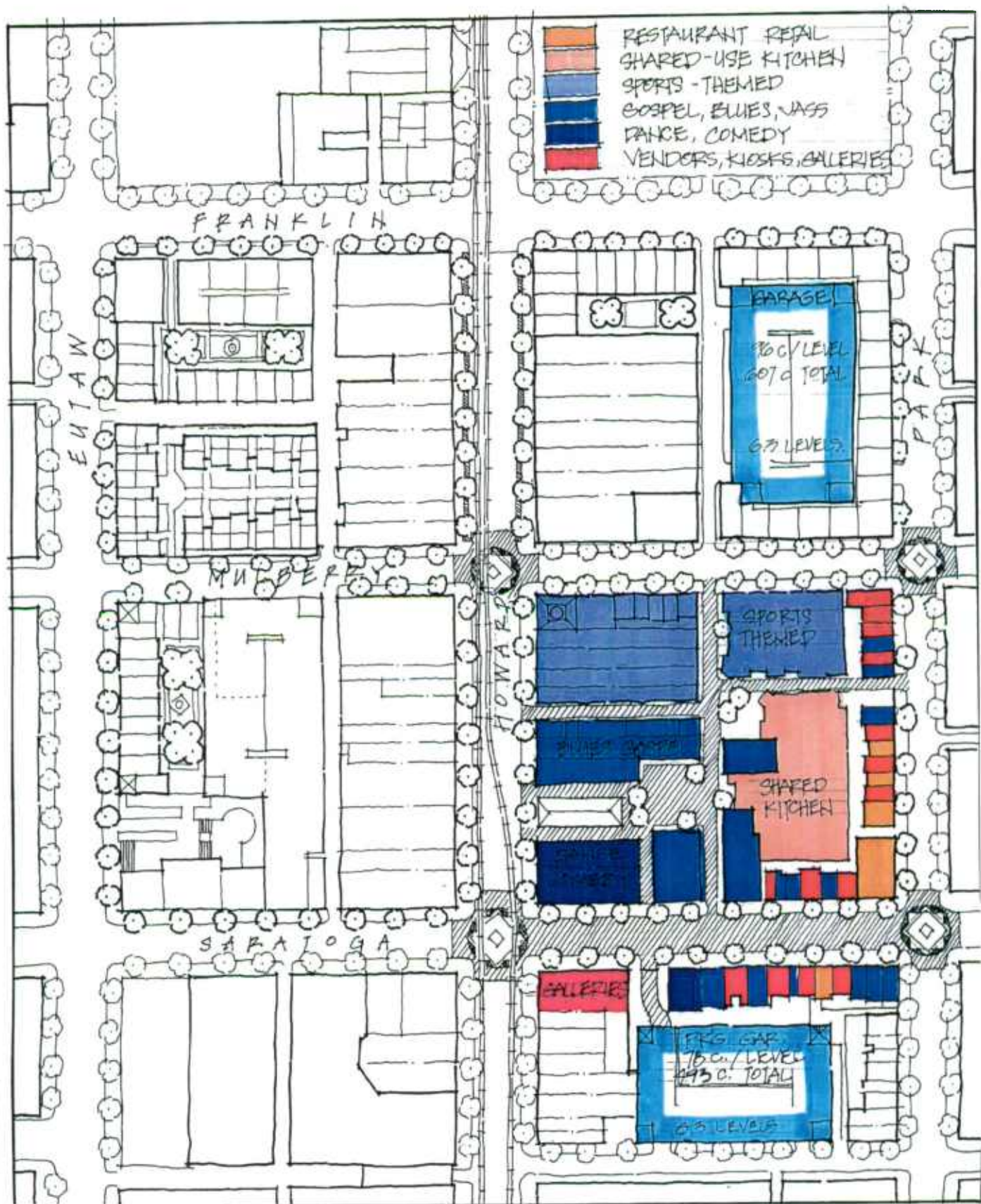
TYSON STREET ENTERTAINMENT DISTRICT - GROUND LEVEL

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



TYSON STREET ENTERTAINMENT DISTRICT - SECOND LEVEL

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



North Howard Street African-American Entertainment District

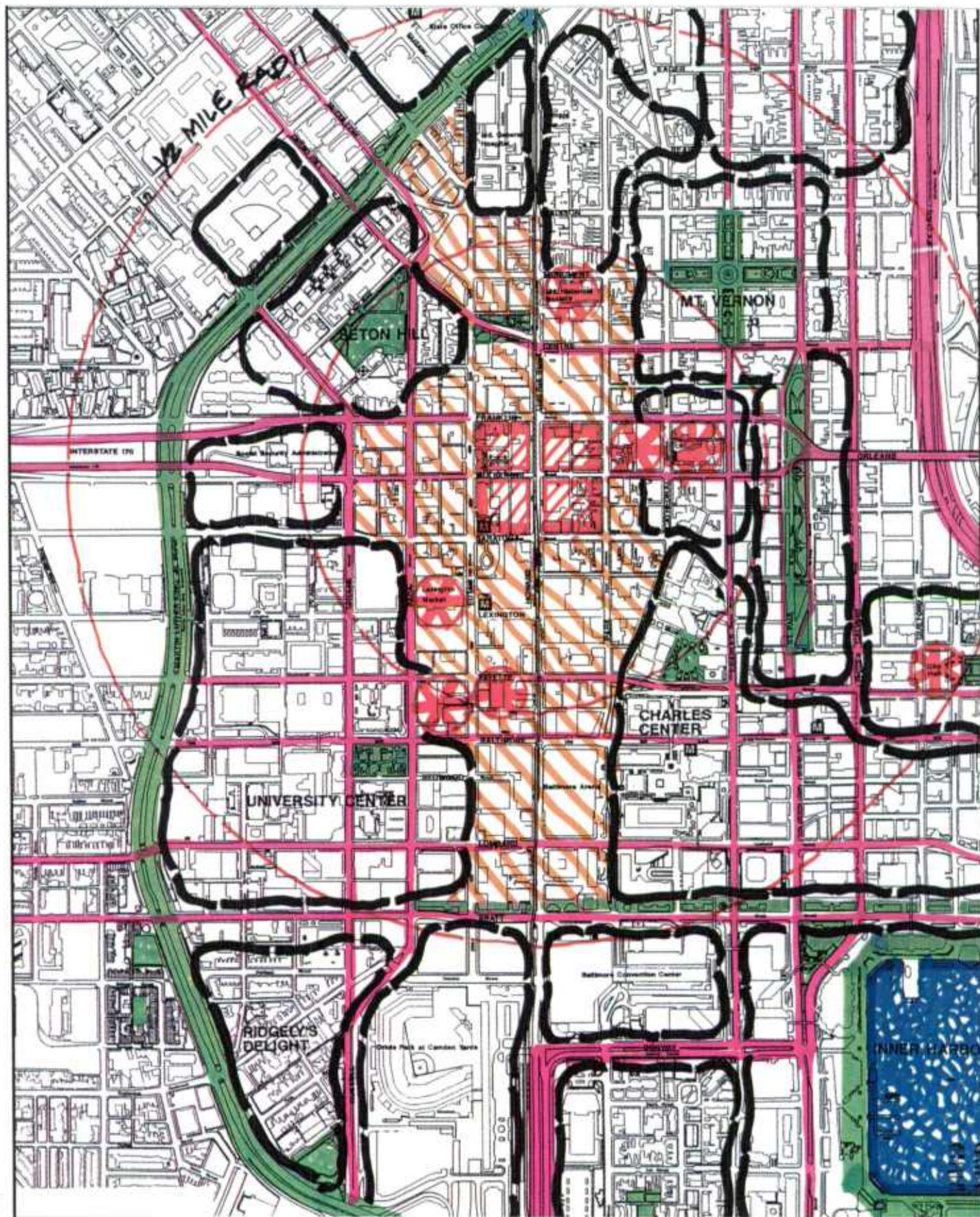
Baltimore, Maryland



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Business Plans, LLC

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WEST SIDE CONTEXT

North Howard Street African-American Entertainment District

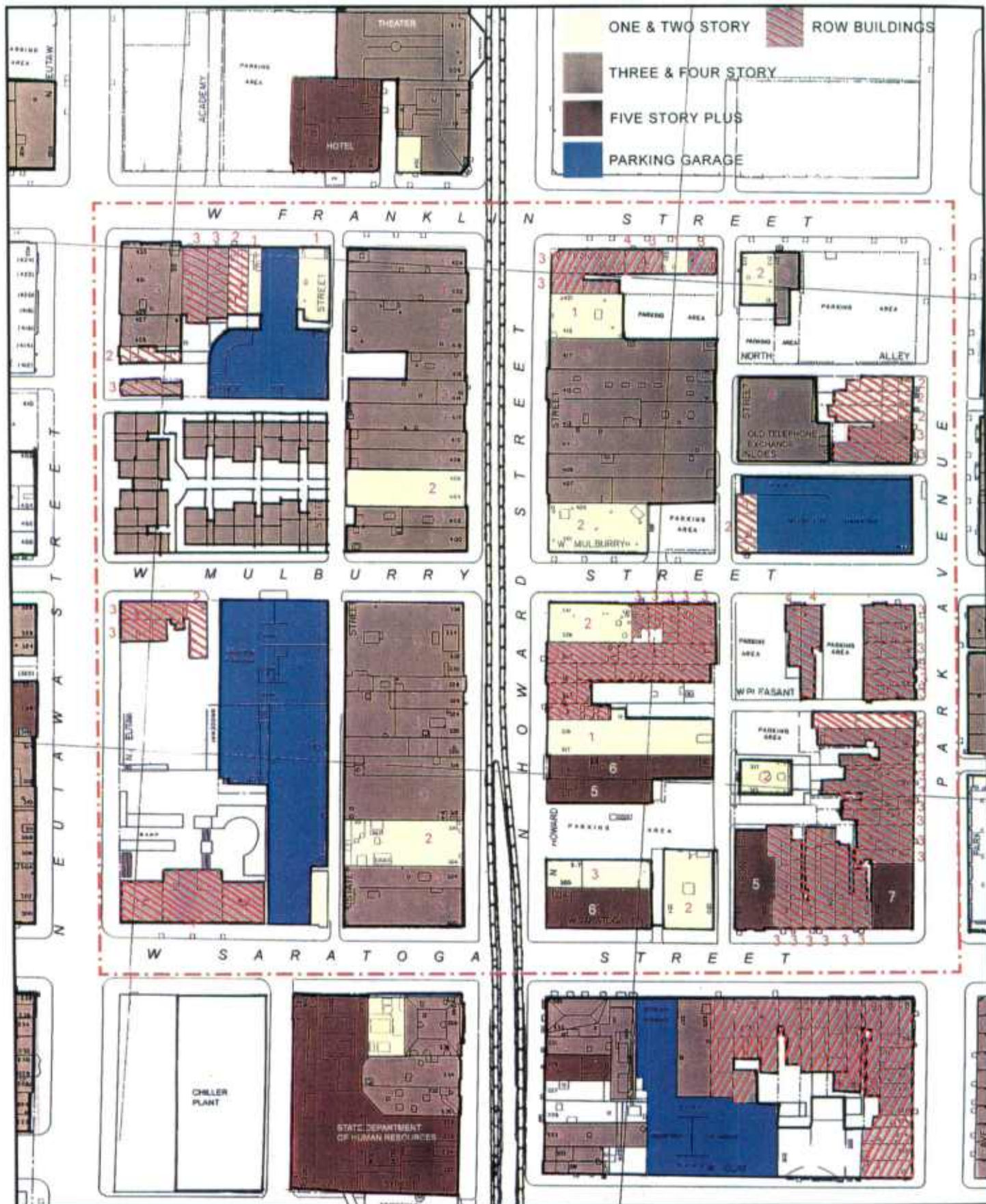
Baltimore, Maryland



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EXISTING BUILDING HEIGHTS

North Howard Street African-American Entertainment District

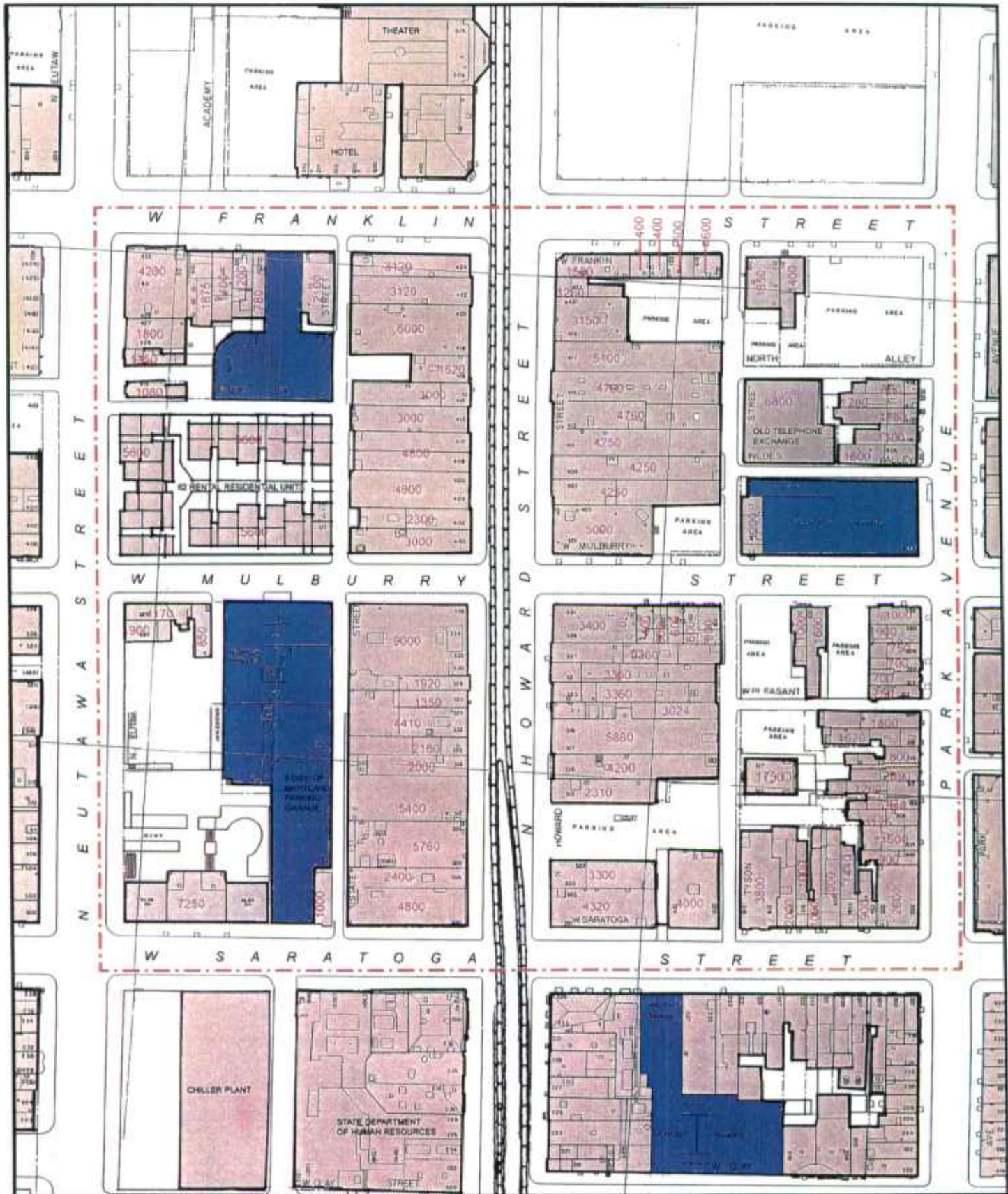
Baltimore, Maryland



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EXISTING GROUND FLOOR AREA

North Howard Street African-American Entertainment District

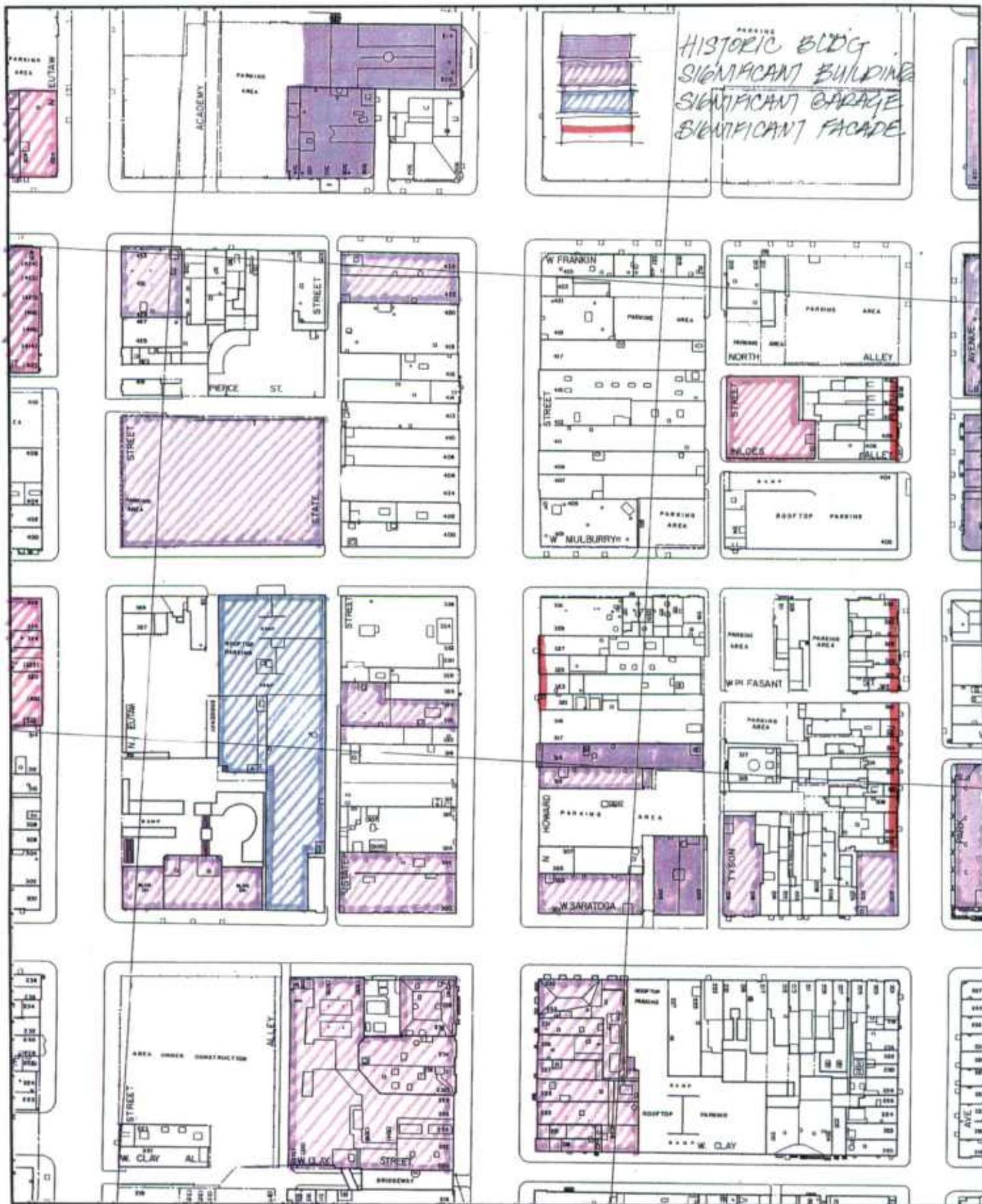
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SIGNIFICANT BUILDINGS

North Howard Street African-American Entertainment District

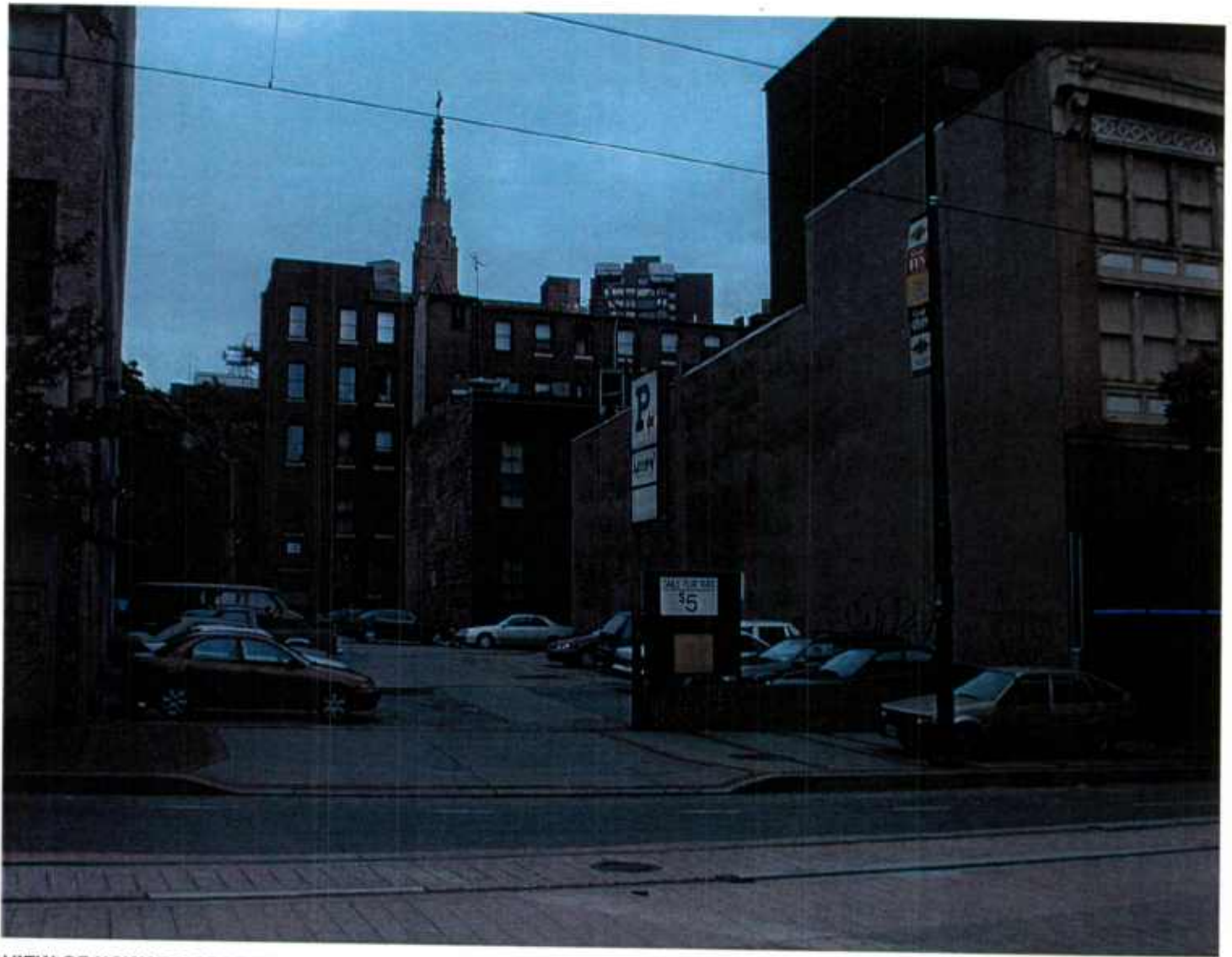
Baltimore, Maryland



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VIEW OF HOWARD STREET – PARKING LOT IN BLOCK 4

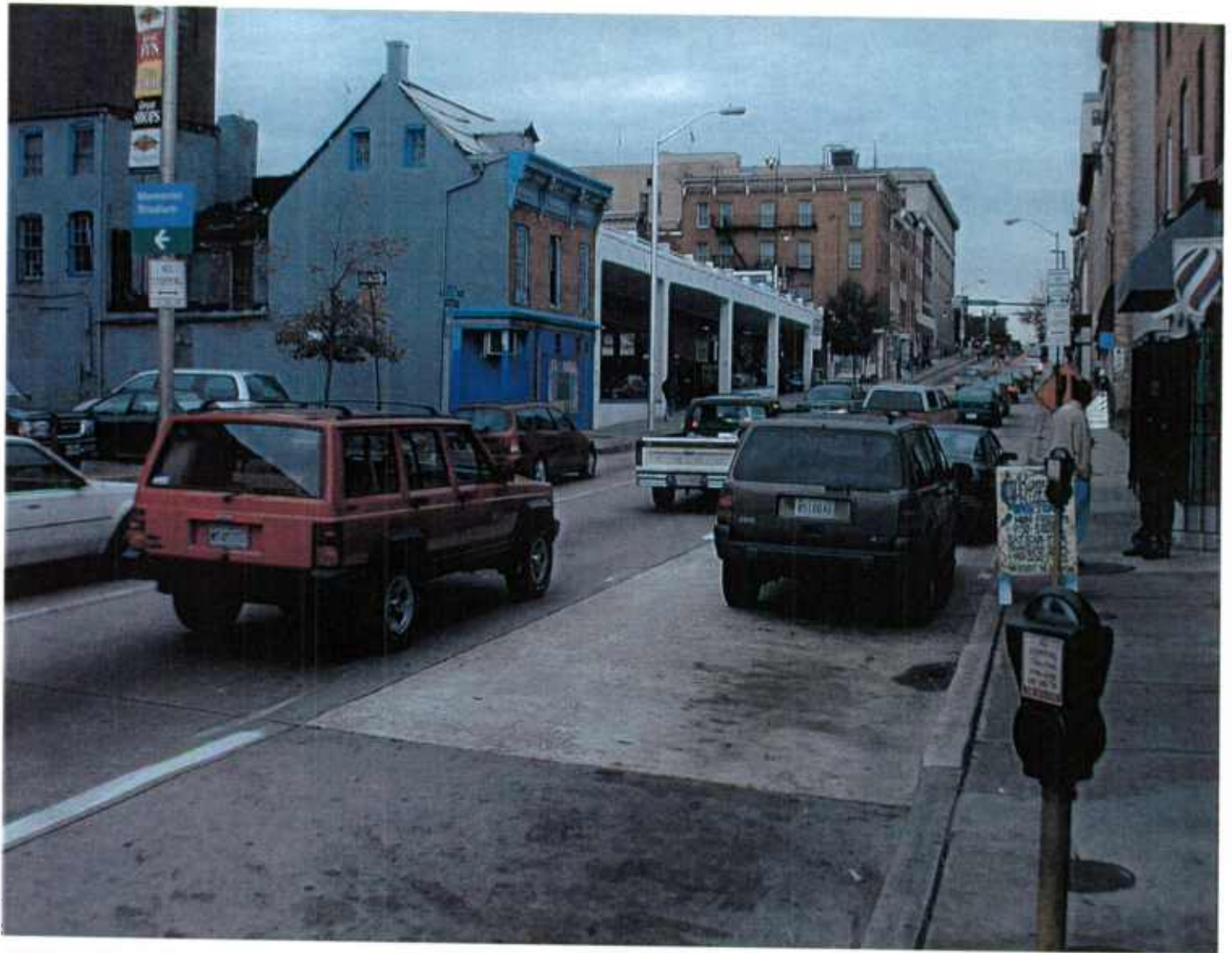
North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



VIEW LOOKING EAST UP MULBERRY, BLOCKS 2 AND 4

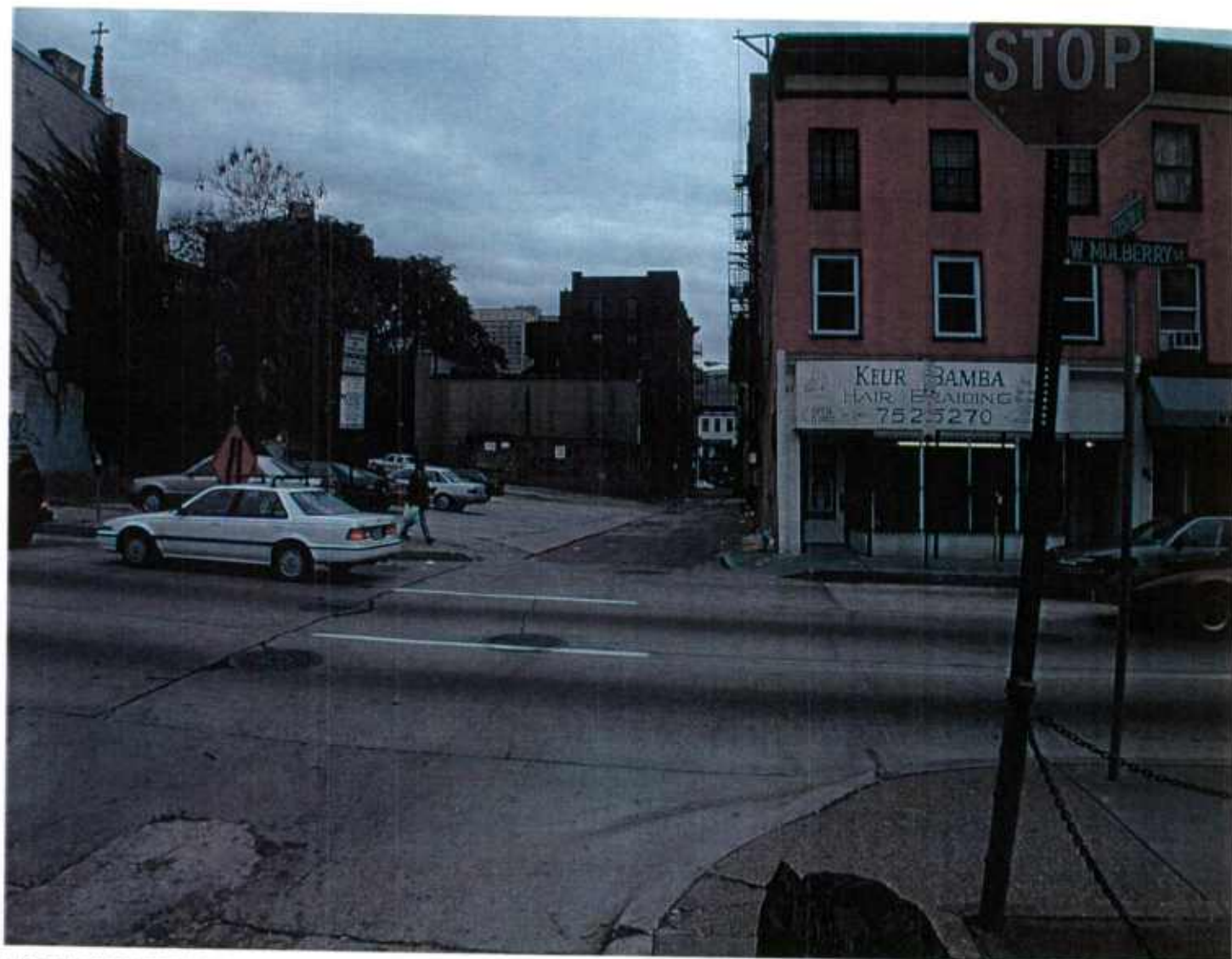
North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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NORTH SIDE OF BLOCK 4 AT MULBERRY, TYSON STREET ALLEY

North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



LOOKING EAST ON MULBERRY STREET BLOCK 4

North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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LOOKING NORTH AT HOWARD STREET BLOCKS 3 AND 4

North Howard Street *African-American Entertainment District*

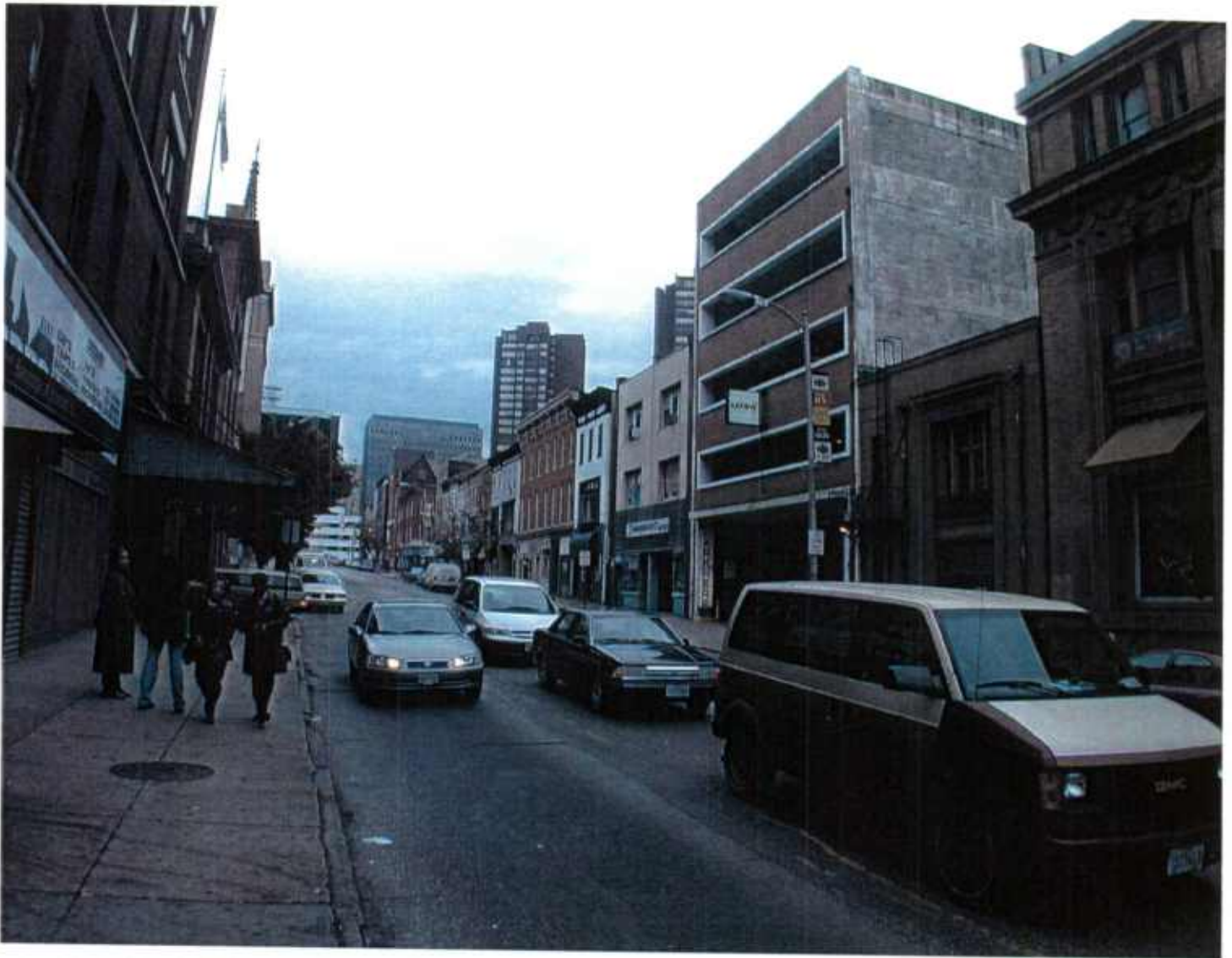
Baltimore, Maryland



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Business Plans, LLC

Performa Entertainment Real Estate, Inc.



LOOKING EAST UP SARATOGA STREET BLOCKS 4 & 5

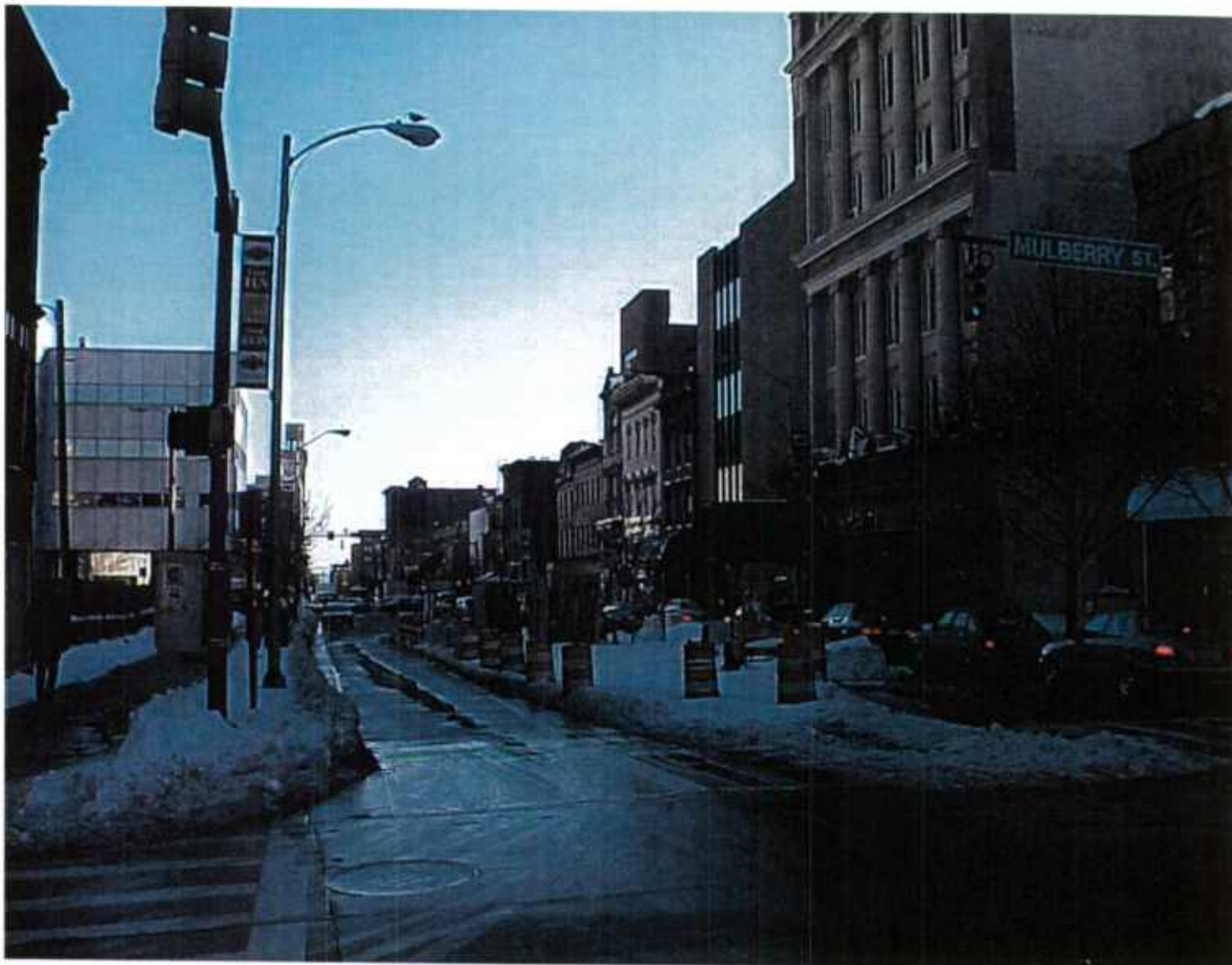
North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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Business Plans, LLC
Performa Entertainment Real Estate, Inc.



LOOKING SOUTH ON EUTAW STREET BLOCK 3 ON LEFT

North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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STUDY AREA - BLOCKS

North Howard Street African-American Entertainment District

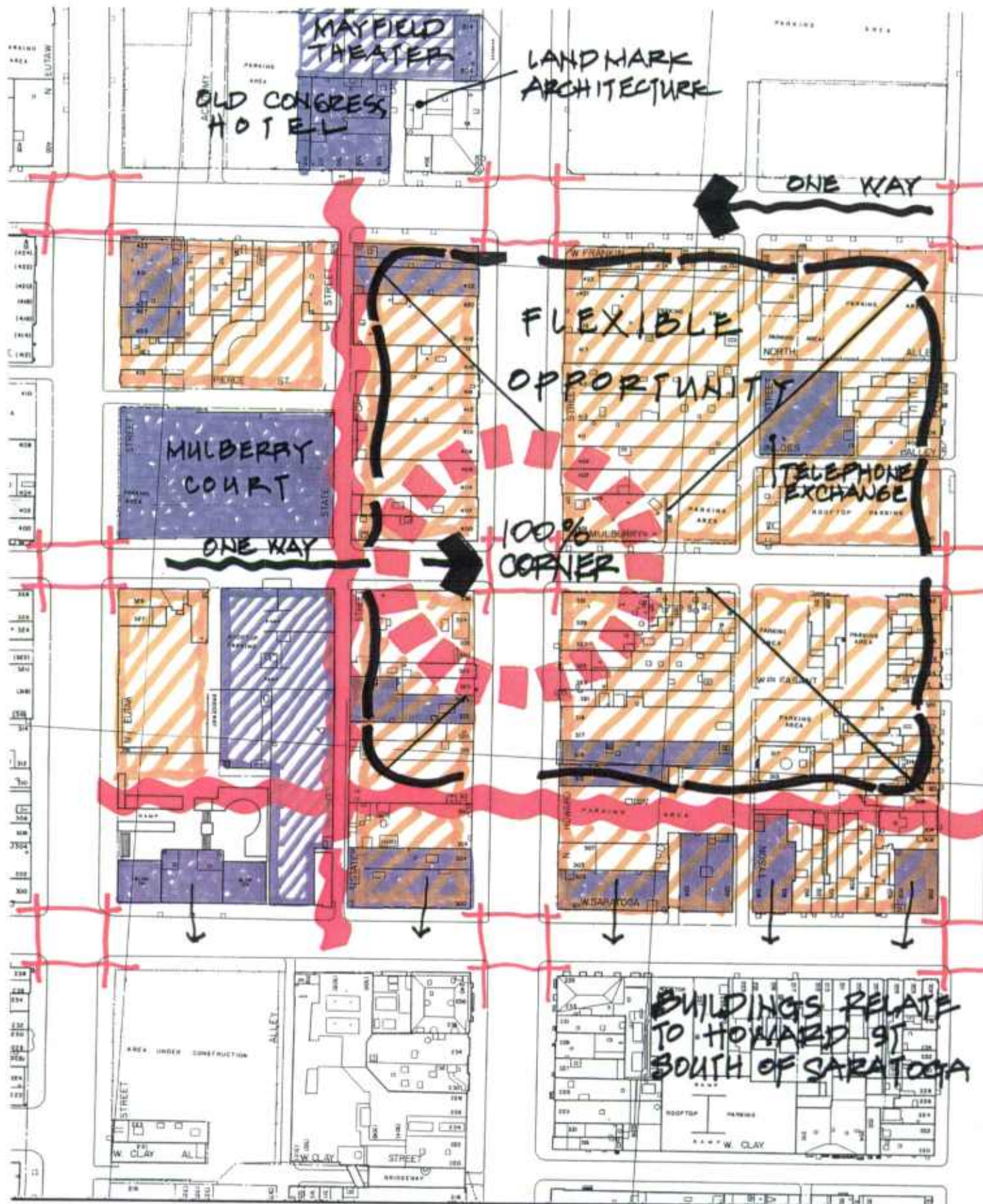
Baltimore, Maryland



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Business Plans, LLC

Performa Entertainment Real Estate, Inc.



SUMMARY ANALYSIS

North Howard Street African-American Entertainment District

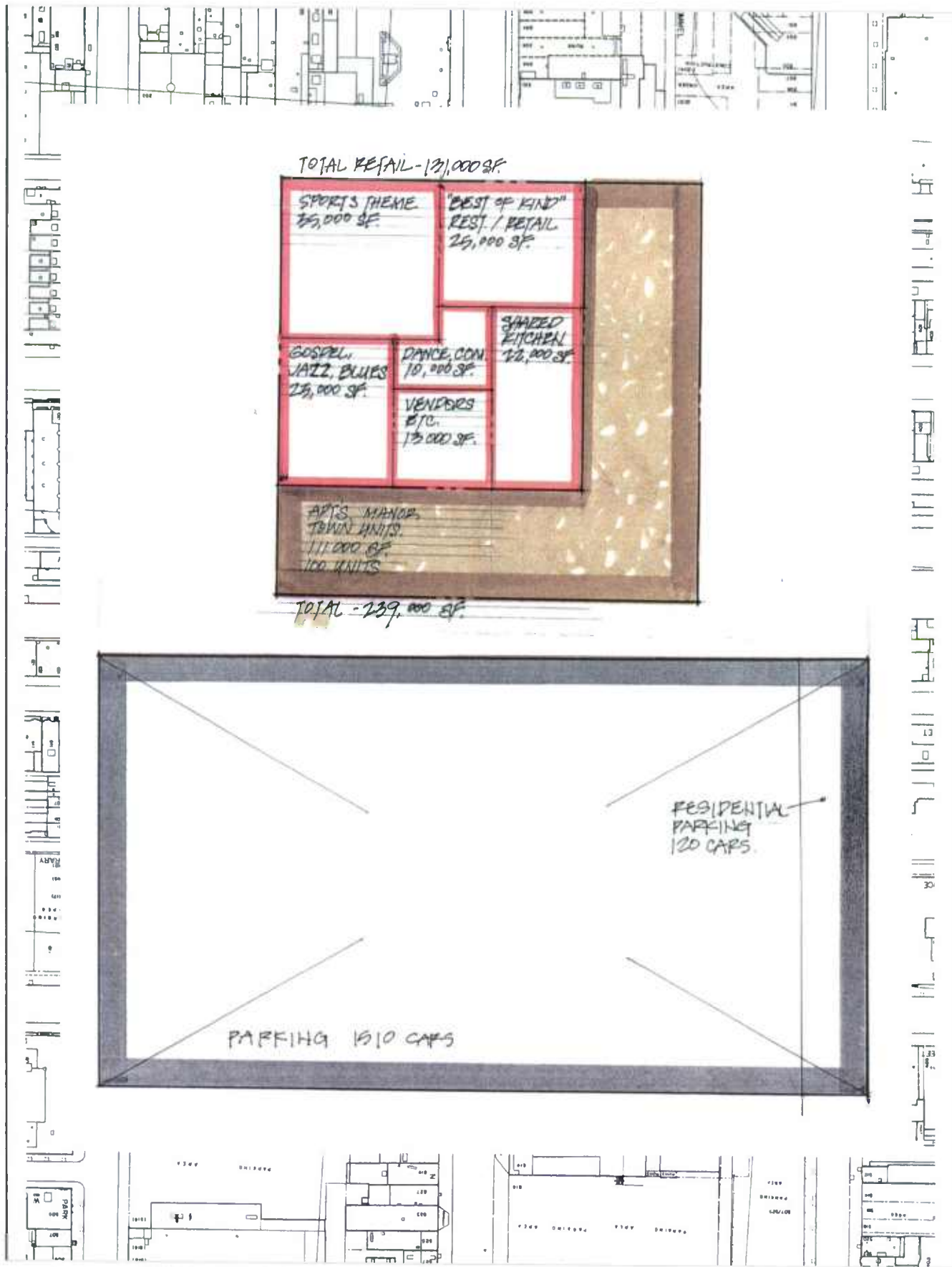
Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



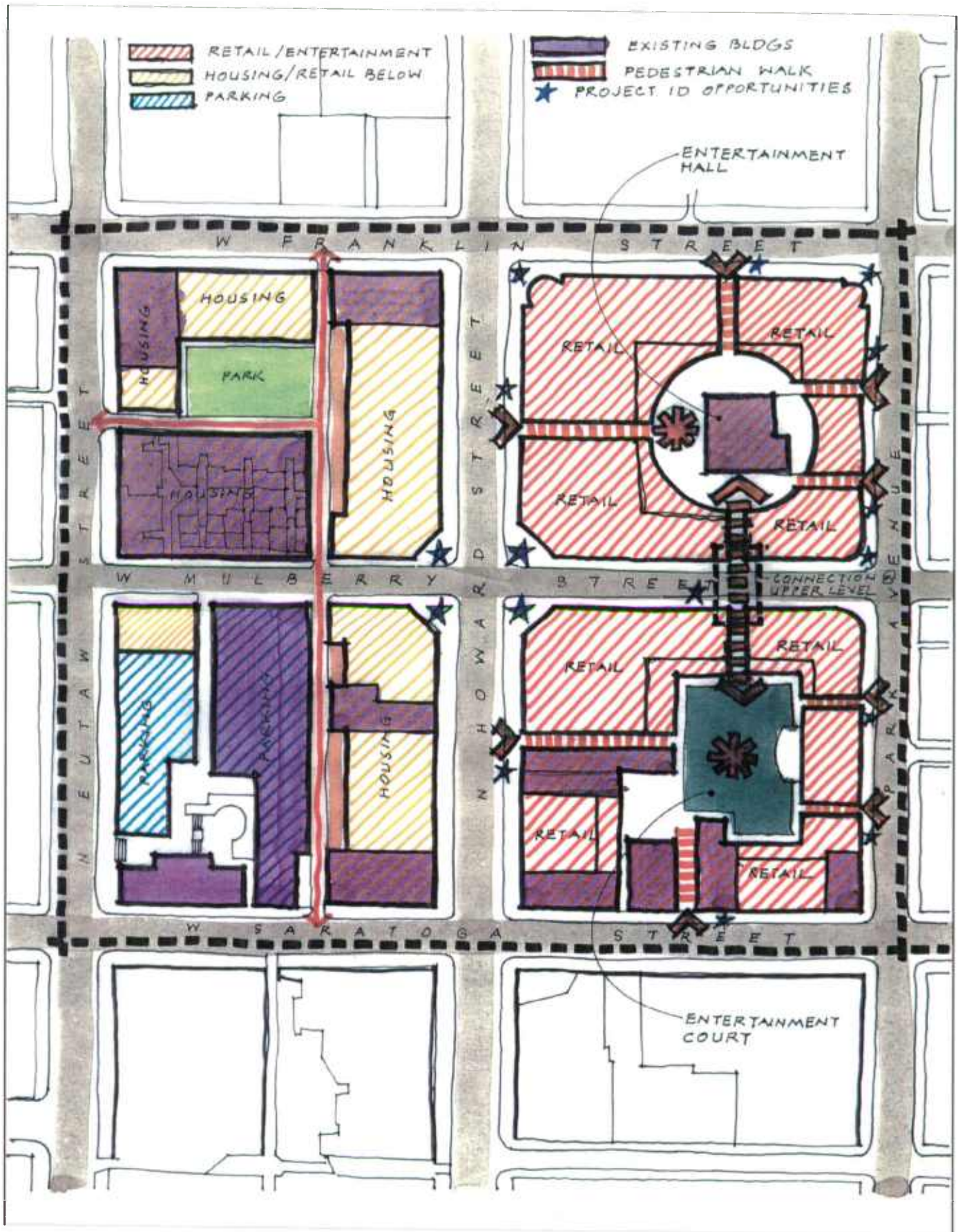
PROPOSED PROGRAM SCALE COMPARISON - MINIMUM PROGRAM

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



North Howard Street African-American Entertainment District

Baltimore, Maryland



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Business Plans, LLC
Performa Entertainment Real Estate, Inc.



EXAMPLE OF RESIDENTIAL ABOVE GROUND LEVEL COMMERCIAL USES -
ADDISON CIRCLE, DALLAS, TX

North Howard Street *African-American Entertainment District*

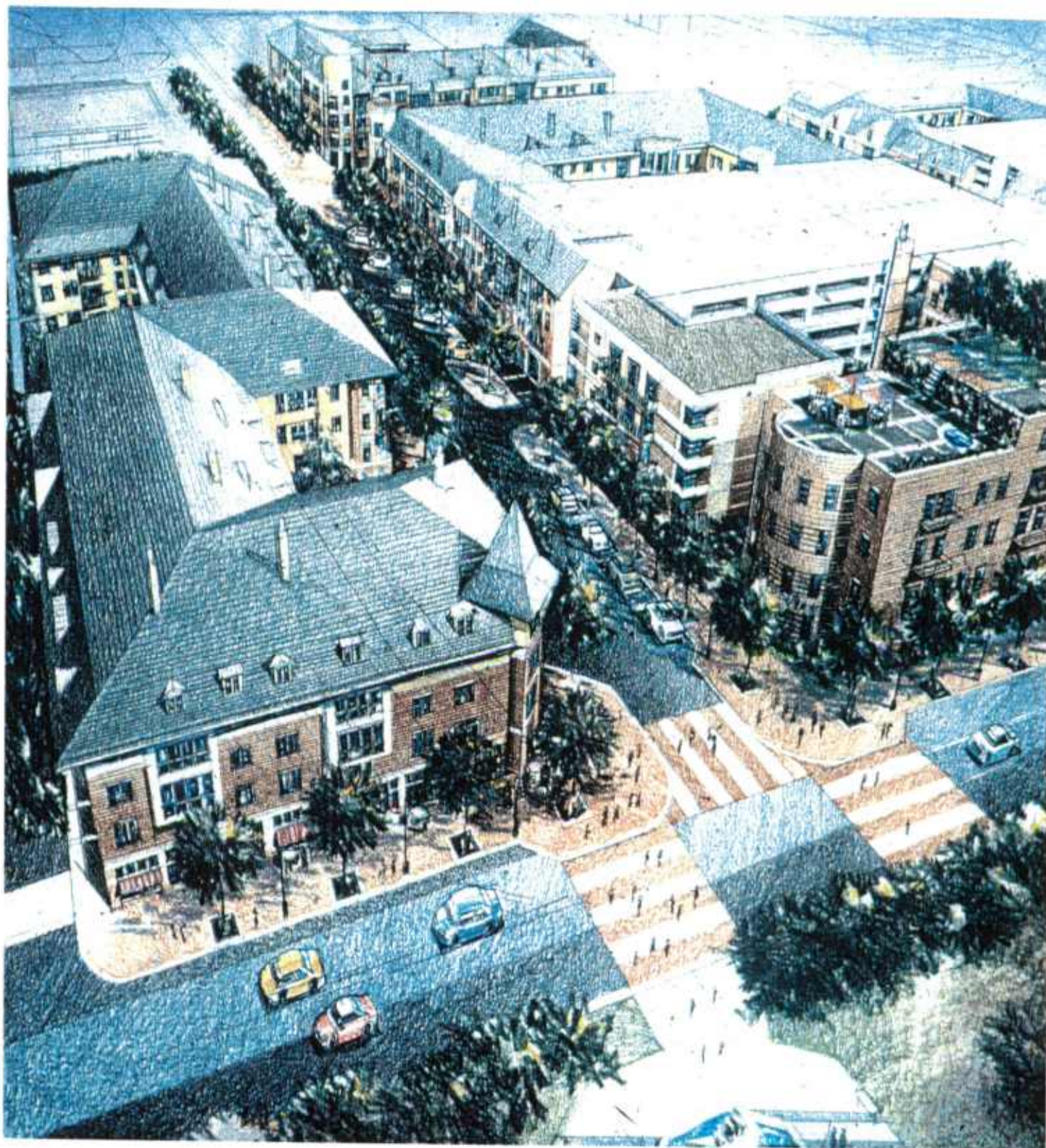
Baltimore, Maryland



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Business Plans, LLC

Performa Entertainment Real Estate, Inc.



EXAMPLE OF RESIDENTIAL ABOVE GROUND LEVEL COMMERCIAL USES -
ADDISON CIRCLE, DALLAS, TX

North Howard Street *African-American Entertainment District*

Baltimore, Maryland



ZHA

Business Plans, LLC
Performa Entertainment Real Estate, Inc.



PARK AVENUE - BLOCK 4 LOOKING SOUTH

North Howard Street *African-American Entertainment District*

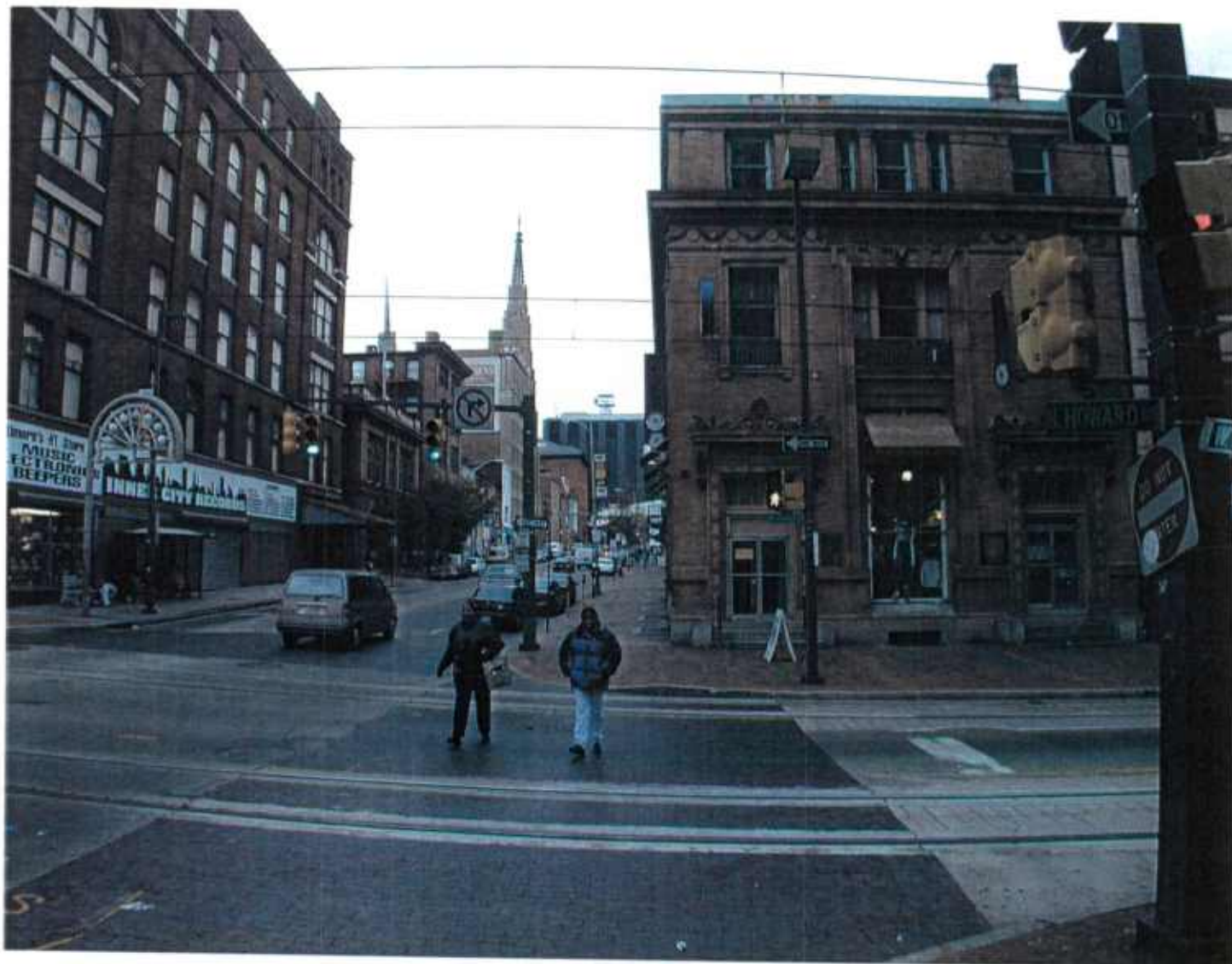
Baltimore, Maryland



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Business Plans, LLC

Performa Entertainment Real Estate, Inc.



LOOKING EAST UP SARATOGA STREET BLOCKS 4 & 5 PAST HOWARD STREET

North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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Performa Entertainment Real Estate, Inc.



HOWARD STREET BLOCKS 3 & 4 LOOKING SOUTH

North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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Business Plans, LLC

Performa Entertainment Real Estate, Inc.



LOOKING SOUTH ON TYSON STREET ALLEY TO SARATOGA BLOCK 4

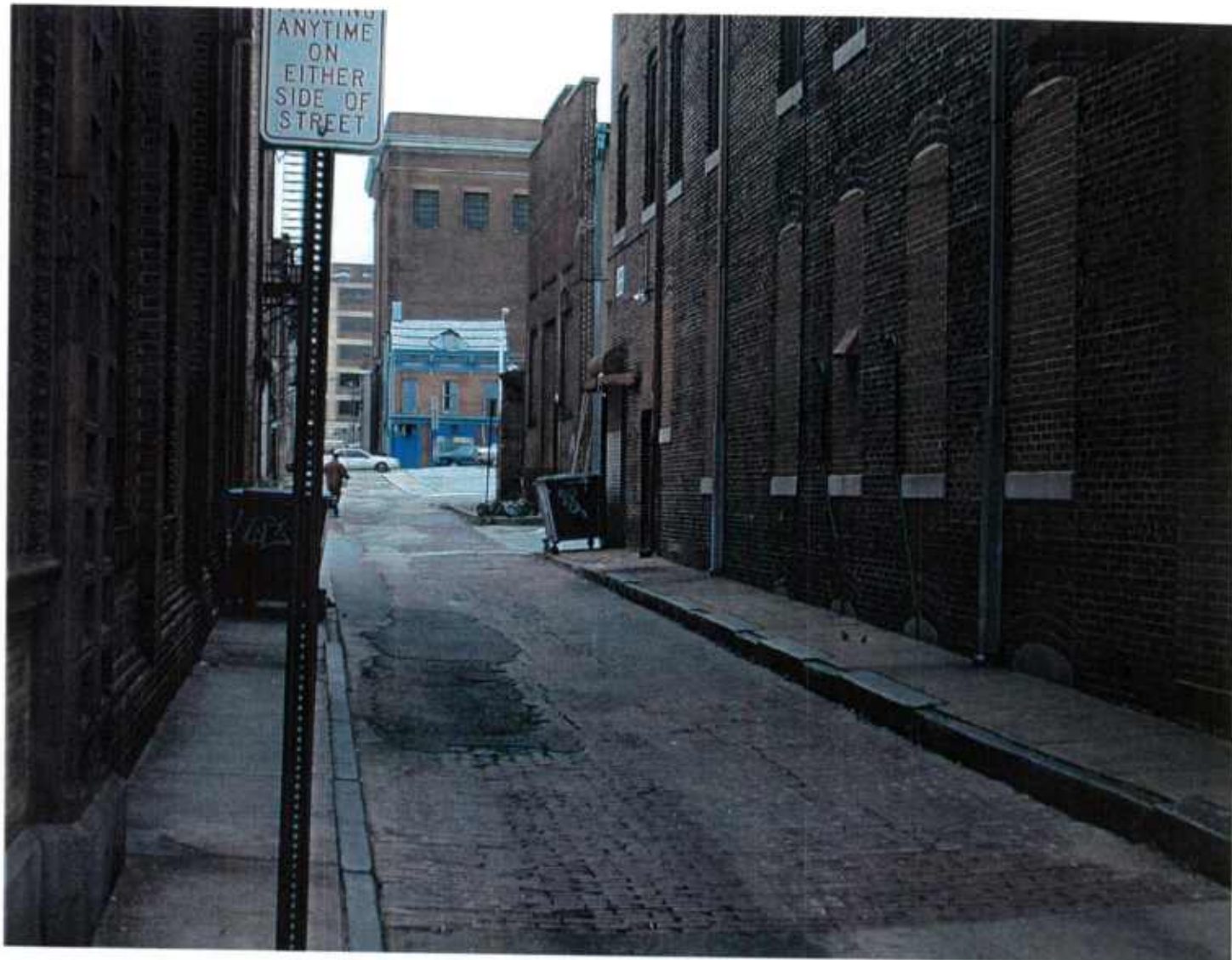
North Howard Street *African-American Entertainment District*

Baltimore, Maryland



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LOOKING NORTH ON TYSON STREET ALLEY BLOCK 4 WITH BLOCK 2 IN BACKGROUND

North Howard Street *African-American Entertainment District*

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VIEW LOOKING DOWN HOWARD STREET TO CAMDEN YARDS BLOCKS 1 & 2

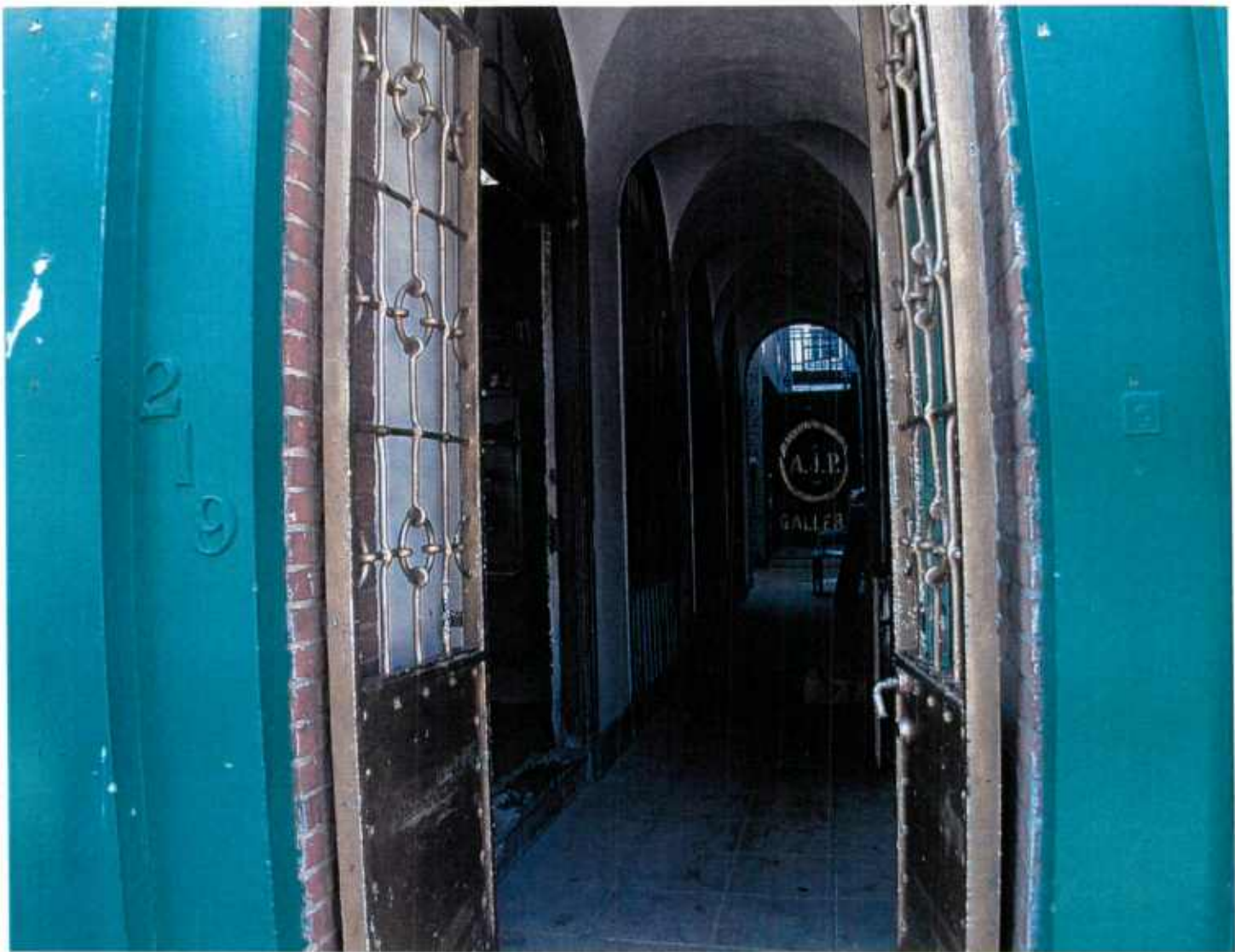
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NARROW AREA WAY WITH SHOP FRONTS LOCATED IN BLOCK 5
219 SARATOGA STREET

North Howard Street *African-American Entertainment District*

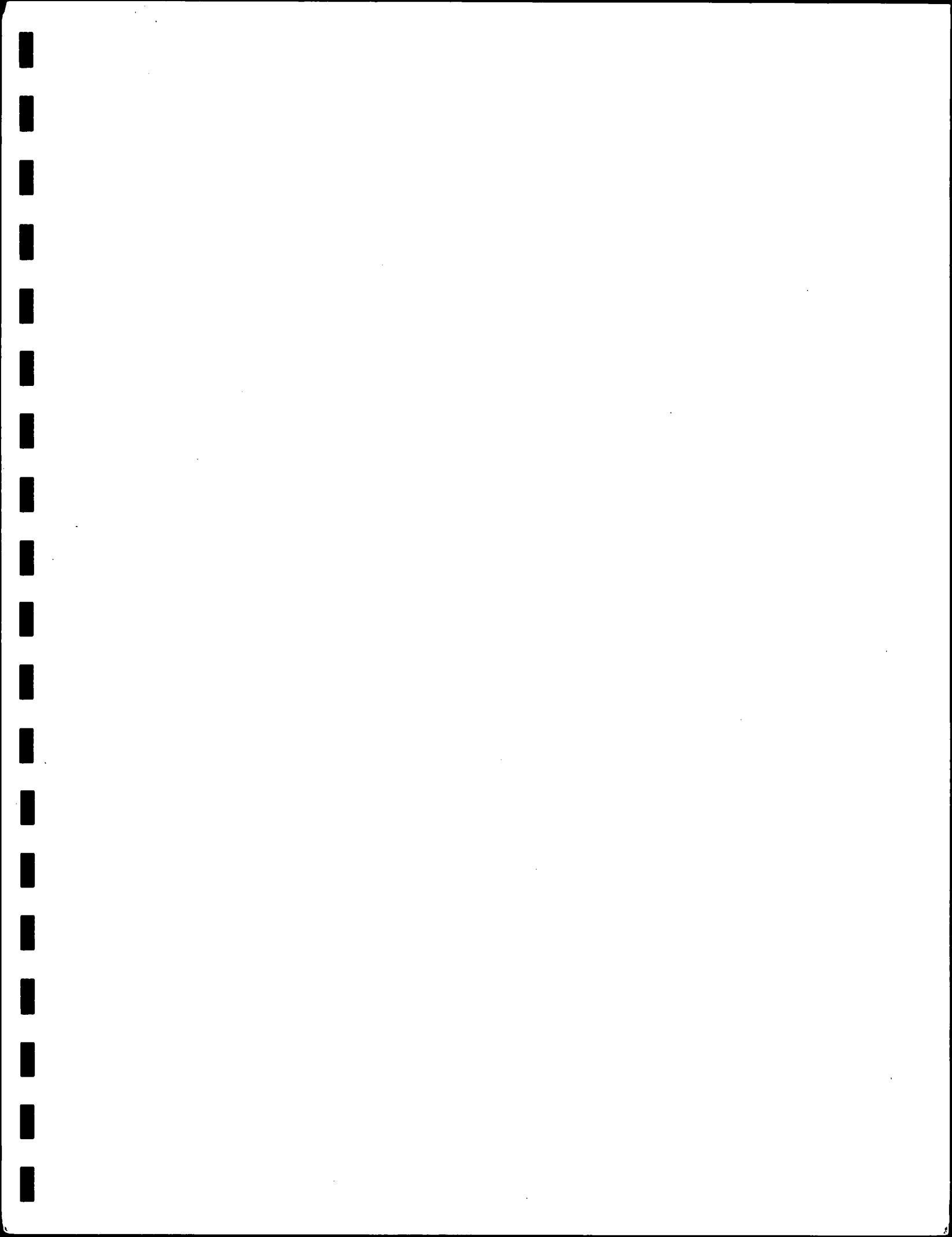
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MARYLAND STATE ARCHIVES

**HOWARD STREET
AFRICAN-AMERICAN ENTREPRENEURIAL
DISTRICT DEVELOPMENT
WEST SIDE DOWNTOWN BALTIMORE, MARYLAND**



EXECUTIVE SUMMARY

**HOWARD STREET
AFRICAN-AMERICAN ENTREPRENEURIAL
DISTRICT DEVELOPMENT
WEST SIDE DOWNTOWN BALTIMORE, MARYLAND**

Prepared for:

***Governor's Office for Minority Affairs
Baltimore, MD
and
Baltimore Development Corporation***

Prepared by:

***RTKL Associates, Inc.
ZHA, Inc.
Business Plans, LLC
Performa Entertainment Real Estate, Inc.***

October, 2001

North Howard Street African-American Entertainment District

Baltimore, Maryland



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**Business Plans, LLC
Performa Entertainment Real Estate, Inc.**

EXECUTIVE SUMMARY OF FINDINGS

I. In an effort to develop meaningful African-American entrepreneurship as part of the critical revitalization of the westside of downtown Baltimore, The RTKL/ZHA Consultancy Team evaluated four alternative plans. The Task Force adopted and approved a proposed fifth rendition that seemingly handled many of the expressed concerns. This plan was designated as the Preferred Plan and Program for development of the **African-American Entertainment District** area.

- A. This plan would locate the full retail/entertainment program in Block Four and expand outside the initial study area to include the half-block (Block Five) along Saratoga, and directly south of Block Four.
- B. The exteriors of Block Four buildings would continue to preserve most historic facades. The interior building rears would be selectively gutted and redeveloped as an environmental architectural space tailored to reuse needs.
- C. It is critical that square footage be developed within these two blocks including use of the upper store levels, and a public realm of open space and linkages to establish a community of events and mid-block passageways.
- D. The remainder of the study area (Blocks One, Two and Three) would be primarily residential development, a mix of loft conversions of existing commercial buildings, and new infill housing with ground floor retailing, if appropriate. Any staged relocation of existing commercial would be shifted to the Howard Street commercial frontage as appropriate.

II. The Preferred Plan calls for **220,800 square feet of retail/entertainment uses**, all within Block Four and Block Five buildings facing toward Saratoga.

- A. The entertainment program, if fully applied, would require multi-floor operations or a combination of building frontages with selected rear shed replacement, including utilization of the upper floors.
- B. An essential component of the complex is the publicly provided commercial "shared-use" kitchen, appropriately sized, which would support some of the sports-themed pubs, Gospel, jazz clubs, dance/comedy, and galleries/vendors/kiosks within the District. It would also handle catering and product lines of other newly emerging businesses located outside the CBD with regional capacities to market.
- C. It is suggested that the "shared-use" kitchen be on the upper floors in Block Three's interior, with restaurant and shops on ground level, and not functionally encroaching on the historical street fronts. All would be accessible by motorized carts along the interior passageways of the complex to the various participating uses. Additional study by specialized experts needs to be performed in the upcoming pre-development stage to confirm sizing and cost estimates of this essential facility.
- D. The entertainment venue should be randomly mixed within the renovated storefronts along Saratoga, Howard, and Park Streets except for a sports-themed club to be

situated toward Mulberry Street. Most of the jazz/blues clubs, along with food and beverage establishments, would be within the block with interior access from the refitted alleyways.

- E. The Entertainment District should be distinctive and contained within identifiable boundaries for managerial and policing control.
- F. Selected retained retail/commercial uses addressing each street in the traditional sense should be commingled with the entertainment.
- G. Blocks One, Two and Three are proposed to be mixed-use residential as the predominant use, infusing the highest density of housing while respecting quality design. The consultants conceptually recommend that the Howard Street frontage be preserved and converted into loft units and that infill apartments be developed, tied most often to ground floor retailing.
- H. The interiorways must be highly activated with kiosks, fountains, street furnishings, vest parks, and presentations, particularly during nighttime hours -- up to about 10 PM. Public advertising of events and programming is the key to making the pedestrianways viable.

III. Significant public capital assistance will be required to cause the redevelopment of the African-American Entertainment District area. The predominantly residential programs (Blocks One through Three) will require far less aid than the incubator/entertainment reuses to the southeast.

- A. A single, nonprofit development and management entity is suggested to oversee the entire program. This entity could be part of existing City government (like part of BDC) but needs to be newly organized and a separate division with a single purpose, maintaining accountability to its Board and elected officials.
- B. To offset tenant failure ratios, the Development Entity should be capitalized fully and have early yearly "gap" financing as a "public purpose" to ensure tenant/owner unit stability.

1. Land acquisition and demolition costs are expected to be approximately \$11,345,000 in the four- and one-half block project, distributed over three phases. An additional \$81,594,000 in actual reconstruction/new building construction is anticipated with approximately 10 percent of this cost involving parking. ZHA has assumed that parking is self-supporting and that either the public or private entity, as most appropriate, will build each facility.

- C. **Residential Returns** in Blocks One through Three are anticipated as follows:

1. Given achievable residential rental rates of approximately \$1.05 per square foot per month, with mortgage financing obtained at 9.5 percent interest over 20 years, requires an incentive infusion from the developing entity of about \$23.75 per square foot per month initially, or about 22.6 percent of current yields for residential uses if the Developer must face acquisition and demolition costs.

2. Without the Developer being responsible for land, demolition or parking, the proforma financial figures indicate a very attractive return of 15 percent on invested capital, or \$.097 per

square foot per month.

D. **Entertainment District Returns** in Block Four and half of Block Five indicate the following:

1. The lots comprising the prime location for the African-American Entertainment District include the public shared-use kitchen facility. The District includes a new 18,000-square-foot sports-themed anchor and another 18,000-square-foot renovated anchor. The remainder of the buildings are existing structures and some residential uses on the upper levels.

2. Redevelopment of these blocks is not feasible even with the investor relieved of land, demolition and streetscape responsibilities. It is expected that the controlling Development Entity must infuse about \$5.00 (or slightly less) per square foot of gross leasable space to generate a return on invested private capital of 15 percent, assuming development costs of approximately \$207.00 per square foot.

3. It is recommended that the Development Entity solicit Developers for each component of the entire District (or clusters of the District), lease the land, set the streetscape and amenities standards, and negotiate the capitalized yields on invested private equity. It is believed that the Developer would enter into a long-term land lease including a provision **whereby the Development Entity will participate in gross revenues when the land lease payment drops below a certain percentage of gross revenues.**

4. By leasing the land the Development Entity obtains annual cash flow revenues. Projections indicate that land and demolition costs will be paid off in the tenth year of operations. An average land lease payment is expected to amount to \$439,200 per year for Blocks One through Three.

5. The **Master Merchant Developer** (fee Developer) structure deals with eligible tenants consistent with project objectives. The Master Merchant Developer obtains a tenant improvement loan and invests their required equity. The Development Entity funds the improvements to the identified building or site and the Developer completes the transaction by fitting out the use using the equity/loan proceeds privately obtained.

E. The tenant pays rent to the Development Entity covering its debt service obligations first; then the Master Merchant Developer's overhead costs are met; and, thirdly, his negotiated return on investment is paid, with the remainder in any given year returning to the Development Entity.

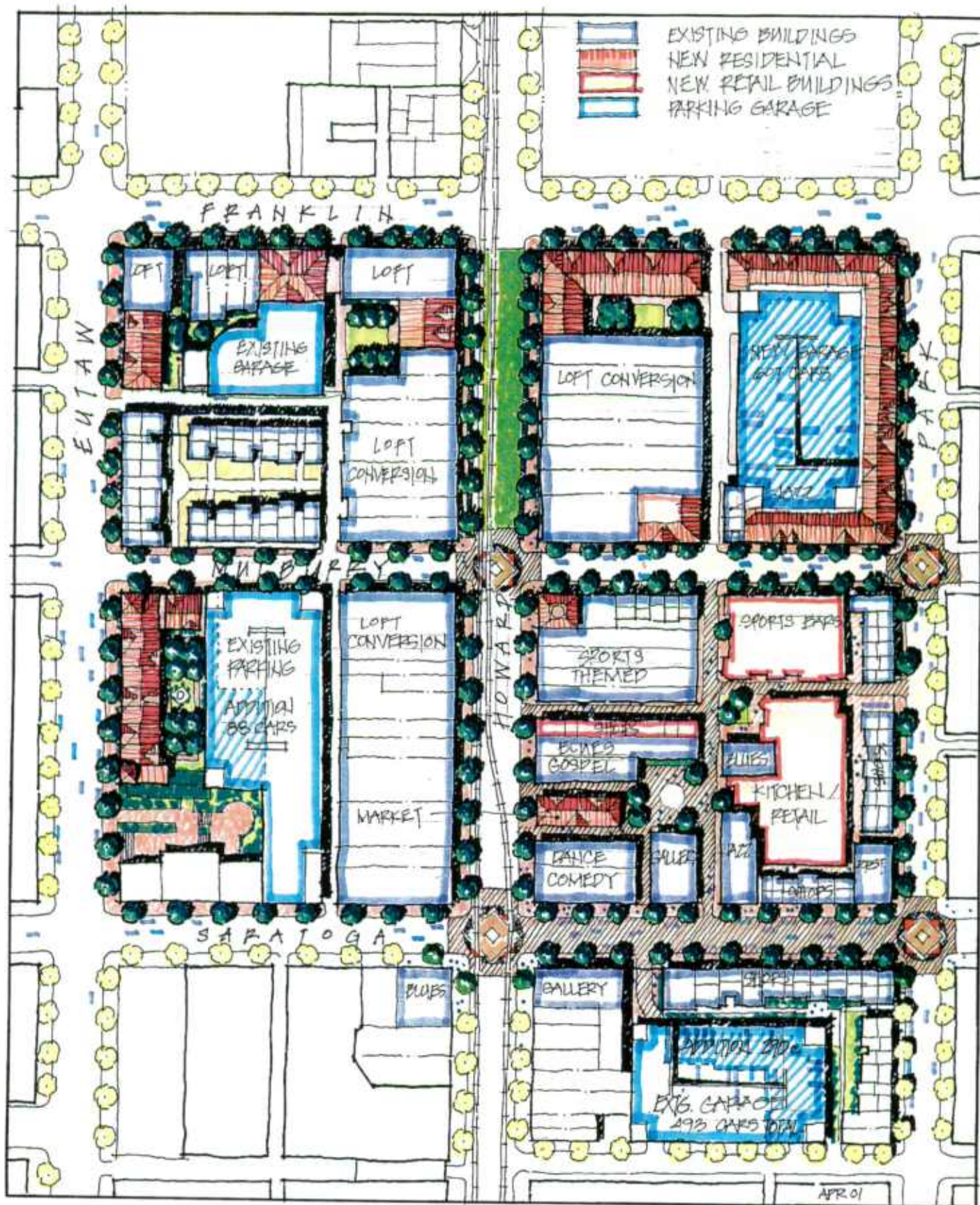
F. Joint development of Blocks Four and Five involves the Development Entity soliciting a Master Merchant Developer (fee Developer) responsible for marketing, developing, managing, and maintaining the entire Entertainment District (excluding the incubator), including securing tenants and other investors. This Master Merchant Developer will assume these responsibilities in exchange for overhead reimbursement and a negotiated percentage of gross revenues (up to 15 percent is recommended) for this development component.

G. In exchange, the Development Entity will agree to:

- A commitment of a lending institution to provide tenant improvements to relatively high-risk applicants;
- Make the land and buildings available to the Developer at no cost initially with a lease payment on usage equal to 10 percent of the actual associated costs, with lease covering a minimum of 50 years;
- Cover the operating shortfalls associated with stabilization of any building (tenant/owner) in the Entertainment District, as terms for each user are negotiated;
- Subordinate the land to the Master Merchant Developer loans; and,
- Receive all building revenues after debt services and allocation of overhead and returns as negotiated with the Master Merchant Developer.

IV. Conceptual budgetary figures indicate that the entire project of four- and one-half blocks will involve the expenditure of approximately **\$92,938,920** for land, site preparation and parking (parking is likely to pay for itself). This figure includes a "most liberal" estimate of \$6,050,000 for the publicly provided and operated incubator kitchen facility. Of this amount, it is estimated that the private sector can manage about **\$63,866,677**, or 69 percent of the identified costs.

V. The entire project, the ***African-American Entrepreneur Entertainment District***, will require about \$23 million in public funds plus the finally determined costs for the commercial-shared kitchen. This budget does not reflect likely relocation costs for selected properties.



ILLUSTRATIVE MASTER PLAN

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Preferred Alternative: Saratoga Street Plan

This plan would locate the full retail / entertainment program in Block 4 and expand outside the original study limits to include the half block (Block Five) along Saratoga, and directly south of Block Four. The exterior of block 4 and 5 would continue to be storefront development preserving much of the historic facades, the interior would be gutted and redeveloped as an environmentally controlled architectural space. A critical mass of retail and entertainment uses would be developed within two to three stories with room for a variety of public realm spaces and linkages.

The remainder of the study area (Blocks One, Two and Three) will be primarily residential development, a mix of Loft Conversions of existing commercial buildings and new infill housing.

Parking for the Entertainment Center and portions of the residential development is located in two garages located within the interiors of Blocks Two and Five. The plan recognizes Howard Street as the major north south civic street serving the West Side District. The plan would focus on Saratoga in its early stages of development as its main street entrance into the Entertainment Center in the initial phases of development and expand to embrace Howard Street as the corridor and West Side is redeveloped.

Rational for Block Four as the Retail / Entertainment Center

- Need to aggregate the retail / entertainment to create in one location critical mass.
- Existing alleys
- There is adequate room in Block 4 & 5 to contain the full entertainment program (two and three levels).
- Saratoga has a comfortable pedestrian scale and an adequate sidewalk dimension (building face to curb 12' to 15').
- Saratoga is not a through street. Traffic volume and speed is less than that found on Franklin and Mulberry.
- Park Street also has an attractive pedestrian scale and historic architecture.
- Saratoga Street contains a rich variety of historic buildings representing a broad range of architectural styles. Also there is a continuous urban / building edge on both sides of the street.
- The Blocks east of Park Street have significant reinvestment.
- Close proximity to Lexington Street to the South and Charles Street to the East.

Key Elements of the Plan

- The full Retail / Entertainment Program is contained in Block Four, which will allow easy pedestrian access without street interruptions. This aggregate of uses will help create the critical mass and vitality required for visitor attractions.
- One block of Saratoga Street (both sides) between Howard and Park will become the front door for the Entertainment Center in the early phases of development. As Howard Street and the West Side Development Program is implemented the Howard Street side will become a second major entrance for the proposed district.

- Opportunity to close the one block portions of Saratoga Street for special events or possibly as a once a week activity.
- The two major historic buildings that flank Saratoga Street on the West Side of Howard Street would anchor the one block district and create a strong presence on the Howard Street Corridor.
- Parking would be provided in Blocks Two and Five, directly north and south of the Entertainment block.
- Blocks One, Two and Three would become higher density residential areas. Three and four story brick residential architecture would be designed to be compatible and harmonious with the historic Baltimore theme.
- Mulberry Court a residential mixed-use development will be preserved and become part of a larger residential neighborhood.
- A major aspect of the urban and architectural theme is to preserve a majority of the important historic buildings and street settings. The historic elements of what makes Baltimore unique is synonymous with the African American Communities heritage.
- Storefront architecture in existing to remain buildings in all five blocks would be preserved regardless of the proposed use.
- New development will be contained within the envelope of preserved buildings or housed in architecture which is understated and harmonious with the preserved buildings.
- The Street frontage and sidewalk environment will be a key aspect of both the commercial and residential development. Sidewalks will have special paving, street trees and landscaped planters, pedestrian scale lighting (12' to 15' poles), and benches and other furniture.
- Alleys will be an important aspect of the Entertainment Center (Block Four). Existing alleys will restore cobble stone surfaces and granite curbs. Wrought iron elements such as grates, grills, brackets and other hardware will be restored. New alleys and small courtyard spaces will be created to bisect the block and provide additional storefront spaces within the block interior.
- Howard Street below Mulberry is a commercial street and the Entertainment center will be the terminus of the commercial corridor. Howard Street north of Mulberry will become residential. The plan proposed to create a marker that formally identifies the termination of the commercial portion of Howard by transforming the street, the one block portion of Howard above Mulberry, into a curb to curb lawn panel. The rail line would remain while vehicular traffic would be removed. This is a common device used along transit lines in Germany to distinguish a change in district boundaries.

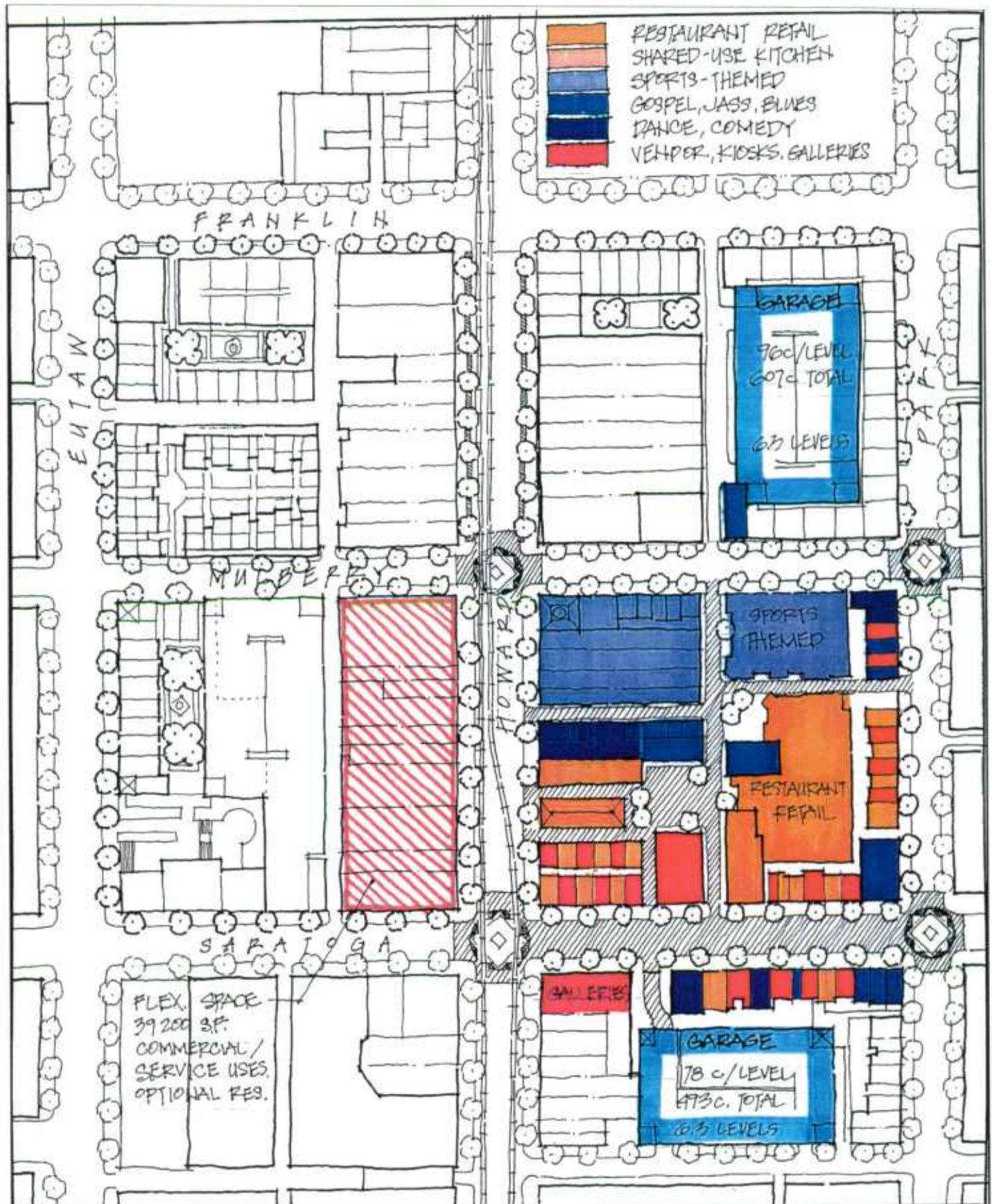
The Retail / Entertainment Precinct

The historic nature of the study area will be utilized and preserved as part of the African American Entertainment District. The master plan proposes that though the study area is not an actual historic site for the black community it is characteristic of those parts of Baltimore that do qualify as sites of African American history.

The vision for Block Four is to be a total pedestrian environment, which faces on to the framing streets providing access at multiple locations to enter the blocks interior through alleys and passageways. The visitor would move up and down to explore the multiple floors. The visitor would move from historic structures to new buildings and back. There would be choices of entertainment and a variety of foods available and places to dine.

Key Elements of the Plan:

- The plan calls for 220,800 SF of Retail / Entertainment uses all within Block Four and buildings in Block Five facing onto Saratoga.
- The Entertainment program will require two full floors plus a few third floors in the street side storefront buildings.
- The Entertainment venue includes; Restaurant / Retail, a 22,000 SF shared kitchen, Sports themed pubs, Gospel / jazz / blues themed clubs, Dance / Comedy Clubs and Galleries / vendors / Kiosks.
- The Shared Kitchen will be in the block interior on the second floor with restaurants and retail on the ground floor.
- The venue will be randomly mixed within the renovated storefronts along Saratoga, Howard and Park Streets except for the Sports Themed Clubs located along Mulberry and Howard Streets. Some of the Blues and Jazz Clubs along with food and restaurants will occur within the block interior and access from the alleys.
- The Entertainment Precinct is contained and has identifiable boundaries will facilitate managing and policing the development.
- Storefronts along Howard, Saratoga and Parks Streets would continue to have active retail / commercial uses.



ENTERTAINMENT DISTRICT - GROUND LEVEL

North Howard Street African-American Entertainment District

Baltimore, Maryland



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ENTERTAINMENT DISTRICT - SECOND FLOOR

North Howard Street African-American Entertainment District

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Residential

The study area Blocks One, Two, Three and optionally Block Four propose residential development as the predominate use. The future vitality and reinvestment potential of the West Side will depend on receiving an infusion of higher density Housing. Because of the historic Baltimore character we are recommending that the Howard Street frontage be preserved and converted into loft units. In those areas where the building conditions are inappropriate for redevelopment propose infill apartments.

Mulberry Court - The existing residential development with some ground floor retail located at the corner of Eutaw and Mulberry Street will be preserved as an intrigue part of the study area redevelopment. The plan proposes to add additional housing of a similar scale to the north in Block One and south in Block Three. The Eutaw Street façade would have a majority of the block face comprised of three and four story residential units.

Loft Conversions - The majority of commercial buildings along Howard Street in Blocks One, Two and Three are proposed to be rehabilitated as apartments. Because of the existing buildings inefficient layout a figure of 1200 SF was used to determine the total number of units. In reality the proposed apartments will range from 700 to 950 SF. The remainder of the 1200 SF will be absorbed in hallways and odd building space.

The building at the corner of Eutaw and Franklin Streets is also because of its attractive historic character is to be preserved as 12 loft apartments. This building will visually anchor the new adjacent apartments proposed for Eutaw and Franklin.

There are six buildings in Block Four which are five stories and taller. The upper floors of these buildings have the option of being converted into loft space or being used for office space. If converted to residential the buildings would accommodate 54 loft apartments. The alternative would be 65,000 SF of commercial office.

New Apartments - In Blocks One, Two and Three have sites identified for infill residential. All of the residential development would be three and four stories in height. This would complement the scale and massing of Baltimore's traditional row housing. In Block One along Franklin Street a double loaded building would have units that face both onto Franklin Street and onto an interior courtyard. Buildings with single depth apartments complete the sub-block with units facing across the alley to Mulberry Court and west onto Eutaw Street. Parking for these units including the cornerloft conversion would occur in the basement that would occupy the full quarter block.

Block Two is the location of one of the two parking garages to serve the retail / entertainment development in Block Four. Single unit deep residential flats would wrap the garage and screen the garage from the street. The four-story apartment building would house 48 units, which would be accessed from a corridor between the units and the garage. Additional single unit wide apartments with an interior courtyard are proposed for the Howard Street northwest corner. This would also be a four-story development and contain 40 units for a total of 88 new apartments in Block Four. Residential parking for Block Two would share parking in the proposed garage.

Block Three - A four-story apartment building is proposed to replace four existing structures at the corner of Mulberry and Eutaw Streets. An interior courtyard would serve the proposed 48 units and separate the new parking addition to the existing garage.

Pedestrian Realm

A critical aspect of the proposed master plan is the treatment and layout of the pedestrian realm. The sidewalks, streets, alleys, park and patio spaces all will need to be highly amenities. While portions of these environments will likely fall under the design standards, which will apply to the whole West Side initiative. There should be opportunities to develop distinctive design treatments for the Entertainment Precinct that will reflect its special theme as a visitor's attraction.

Sidewalks and Streetscape Improvements - The primary pedestrian routes are the sidewalks paralleling the streets. All sidewalks should have special paving, street trees, pedestrian scale lights (12' to 15' pole height), landscaped planters, possibly foundation planting for residential units, streetscape and furniture such as benches and trash baskets.

Courtyard and Patio Space - The residential development will provide private courtyard space for use is the residents. Such space would include special paving, landscaping and lighting. These areas would be theme to continue some of the theme elements used in the sidewalk areas.

Howard Street Park / Lawn - The master plan proposes to create an in what is the one block portion of Howard Street between Mulberry and Franklin Streets into a green lawn panel. This would provide a terminus for the retail portion of the street to the south and the residential to the north. Vehicular traffic would not be allowed in this block although the rail line would remain. A simple lawn panel would extend from curb to curb and special landscape planting could provide color. The space would be for passive use by the community.

Intersections - At the four intersections that define the Entertainment Block special paving designs and patterns would announce to the visitor they are approaching a unique area within the city of Baltimore.

Streets and Alleys - Saratoga Street as the projects "Main Street" require a distinctive treatment to identify its special role as an Entertainment District. Many of Baltimore's streets have a base of either brick or cobble paving. The plan proposes that this original paving be re-exposed by peeling and removing the existing bituminous paving. The same procedure should apply to the existing alleys that are incorporated into the Entertainment Block. Existing granite curbs should be preserved and stock piled granite curb should be found to replace concrete curbs.

Parking

The study area is a multi-modal transit site. Metro Subway and MTA Rail and the MARC lines to Washington are all within walking distance. There is bus service and much of a live, work play environment envisioned for the West Side district.

The parking ratios for the proposed development reflect this less vehicle dependent community. Residential development is calculated at 1.3 cars per unit, retail and entertainment is calculated at 3 cars per 1000 SF of floor area.

Two new garages are proposed to be shared between housing and entertainment. The east half of Block Two and the interior of Block Five were selected as convenient relatively unencumbered locations for two parking garages. Both garage locations are visually screened from the streets with active uses. Both garages would have one basement level and 5.3 levels above grade.

Block One - A single basement level of parking (80 spaces) is designed to serve the residential units (loft and new apartments) located at the corner of Franklin and Eutaw Streets. There is also a potential (not illustrated in plan) for incorporating parking along the alley serving the loft conversions along Howard Street. This parking was not calculated within the parking tabulations.

Block Two - The new garage (607 spaces) would serve both the Entertainment Center and the residential demands within the block. The garage would be access from the existing north south alley from Franklin and Mulberry Streets. The proposed garage would be wrapped on three sides; those sides abutting streets, the fourth elevation facing onto the existing alley would be open to provide ventilation. The garage will still require additional mechanical ventilation.

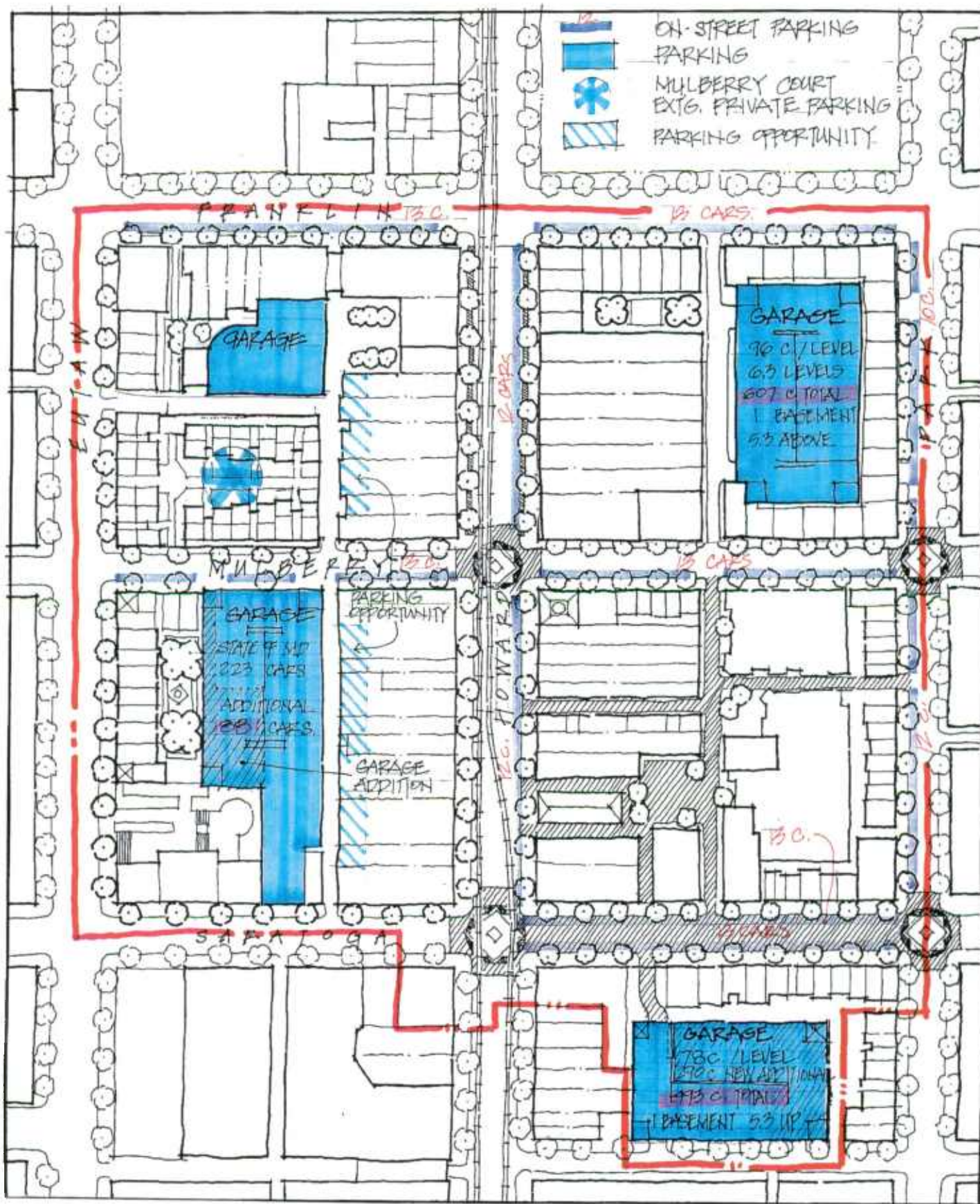
Block Three - The existing mid-block garage (approximately 223 spaces) that serves the state office building in the next block south is to remain and additional parking added. The plan identifies 88 additional parking spaces could be added to the southwest portion of the existing garage. The construction of this additional parking could be achieved without interruption to the current parking.

The additional parking would serve the new apartments in block Three facing onto Eutaw Street.

Block Five - A second major garage (493 spaces) is identified within the block interior replacing an older and inefficient garage. This garage would serve the Entertainment Center and development along Saratoga Street. The proposed garage would be open on three sides and not require mechanical ventilation.

The structure would not be visible from any street. Access would be from the alley and a mid-block entrance along Saratoga Street.

On Street Parking - All existing on-street parking would be preserved and included within the parking tabulation. This parking is an important aspect of maintaining a pedestrian friendly sidewalk environment. The inactive cars create a buffer from moving traffic, an urban edge of sorts to contain the sidewalk (a form of alley). Finally it is tease parking.



PARKING

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Demolition

One over-arching goal of the master plan is to respect the historic nature of the district and preserve a major portion of the existing building stock in all five blocks. The buildings that have been selectively identified for demolition are the result of one or more of the following:

- Not a historically contributing building
- In poor repair
- Inappropriate size or configuration for redevelopment
- Isolated buildings not part of a larger historic setting
- Rear additions inadequate for redevelopment

Artifacts from older buildings should be stockpiled and reused where appropriate in renovation of buildings to remain and integrated in to the new architecture being proposed. Other industrial elements that exist in the areas slated for removal should be gathered and reused. Manhole covers, iron grills and grates may become elements of the Entertainment Block.

Block One - The parking garage and adjoining row buildings are proposed to be demolished. The garage is old, in need of repair and inefficient in layout. The corner building at Franklin and Eutaw is architecturally significant and to be renovated into loft apartments. The adjoining buildings on Franklin and Eutaw are not part of a larger historic setting and inappropriate for redevelopment as residential.

Block Two - The parking garage adjacent to Mulberry is antiquated and an inappropriate street front use. The east half of Block Two is located in the median of the Route 40 pair of traffic collectors, Franklin and Mulberry Streets and not an appropriate location for the Entertainment Precinct. The east half block is however a good location for a new parking garage in the block interior and residential development facing the streets. The row buildings along Park and Franklin as well as the interior telephone exchange building are shown to be removed. The buildings in the west half of Block Two and facing onto Franklin and Howard are marginal buildings and slated for demolition.

Block Three - There are four small row buildings at the corner of Mulberry and Eutaw that are isolated and not contributing to a larger setting that are identified for removal.

Block Four - This block has been selected as the site of the Entertainment Precinct and will contain 200,000 SF of new and renovated retail development. Portions of this program will require large areas of unencumbered building space. This has been located generally within the block interior but some of the existing buildings will need to be removed to accommodate this program.

Two buildings on Howard Street and two row buildings on Mulberry that are not historic or contributing background buildings identified to be removed. The remaining demolitions are rear additions in poor repair and inappropriate for redevelopment.

Block Five - This block as with Block Four will become the Entertainment precinct and require the removal of rear additions to accommodate a proposed parking garage. The master plan shows the existing parking garage as being removed because of the inefficient layout and its street frontage facing Saratoga Street.

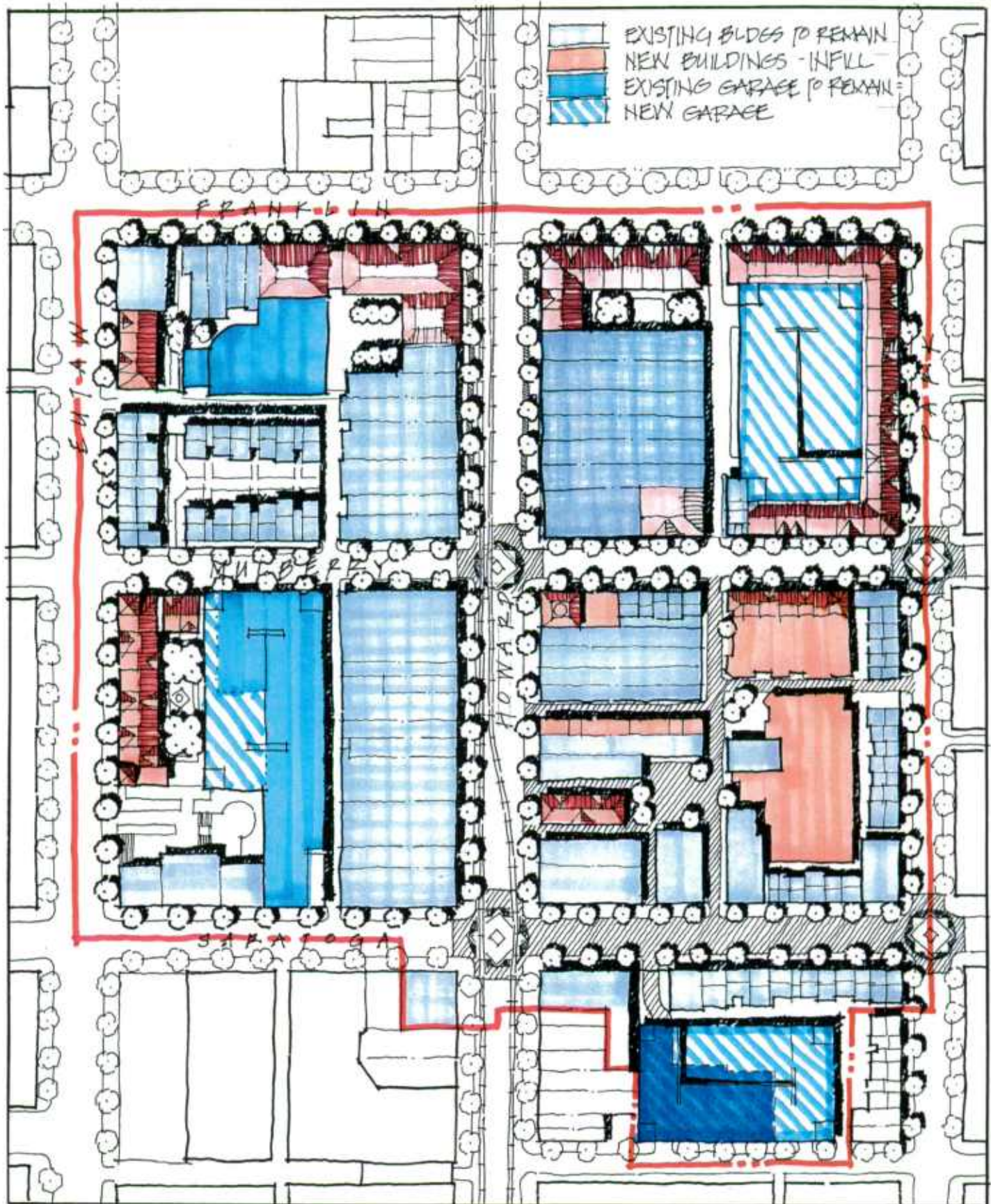
New Infill Development

The new architecture proposed for the study area was designed to complement and complete existing block facades. The residential infill in Blocks One and Three will reinforce the existing housing in Mulberry Court and the proposed loft conversions along Howard Street. These buildings would be three and four stories in height and complement the design, materials and color of Baltimore's historic vernacular.

Blocks Two and Five will contain parking garages located within their interiors. The garages will serve the Entertainment Precincts and portions of the proposed residential development. The residential development in the eastern half of Block Two will laminate and conceal the new parking garages. The buildings will be four stories tall and architecturally complement the buildings along Park Street. The residential units facing Franklin will be four stories and have an interior courtyard.

Block Four - A majority of the block face buildings will be retained and renovated as part of the new Entertainment Precinct. The interior rear additions serving the row buildings along Park and Saratoga will be replaced with new development designed to house the restaurant and kitchen uses. New architecture is proposed for the corner of Mulberry and Eutaw and along the eastern portion of Mulberry. The corner building will be distinctive in scale and design required anchoring the Howard and Mulberry Street Facades. A portion of Mulberry will have a new façade, which will complement the renovated row buildings along Park Street.

A new one-story market type building is proposed along Howard Street flanked by new alleyways on either side. New shallow (25' deep) retail uses are shown on the south side of a new mid-block alley, which access the interior of Block Four.



NEW INFILL BUILDINGS

North Howard Street African-American Entertainment District

Baltimore, Maryland



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Development Strategy

Residential is and will likely continue as a strong market opportunity. Housing could begin immediately with converted lofts and new apartments being developed simultaneously. Block Three along Howard Street is a likely place to begin because it is adjacent to phase One of the Entertainment Center and would build on the synergy developing there and from lower Howard Street.

The location and layout of the proposed Entertainment Precinct allows for a logical strategy for implementation. Saratoga Street would be the front door for the first phase. It is contained, has significant ambiance opportunity and is visually accessible to the general public. The Shared Kitchen and restaurant / retail would be part of this initial development. The Sports Bars, would occur during the initial phase or shortly after.

Saratoga Street, both the sidewalk and roadway would be renovated. Streetscape improvements including lights, trees and special paving would be implemented. If the street have a base course of brick or cobble the upper bituminous course would be removed.

Parking for the first phase could be accommodated in the existing garage in Block Five, 243 spaces and in surface parking made available in clearing portions of Blocks Two and Four. Additional parking could be found in the open lots north of Franklin and other surrounding blocks.

During middle phases of development the Entertainment Precinct would grow. Residential would begin in Blocks One and Two. The Parking garage and laminated residential apartments in Block Two would be built. The portion of Howard Street between Blocks One and Two would be closed to vehicular traffic and converted into a park/ green to serve the residential community.

The last phase of development would see completion of residential development, lofts and new apartments, in Blocks One and Two. The opportunity of commercial uses in "Flex Space", the ground floor of the renovated loft buildings along Howard in Block Three, being converted into commercial uses to serve the community.



